

**EXHIBIT 2**  
**FILED UNDER SEAL**

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UNITED STATES DISTRICT COURT  
DISTRICT OF MINNESOTA

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FAIR ISAAC CORPORATION,  
Plaintiff,

v. Court File No. 16-cv-1054 (WMW/DTS)

FEDERAL INSURANCE COMPANY,  
an Indiana corporation, and ACE  
AMERICAN INSURANCE COMPANY,  
a Pennsylvania corporation,  
Defendants.

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VIDEO DEPOSITION

The following is the video deposition of  
RANDOLPH BICKLEY WHITENER, taken before Jean F.  
Soule, Notary Public, Registered Professional  
Reporter, pursuant to Notice of Taking Deposition,  
at the law office of Fredrikson & Byron, P.A.,  
200 South Sixth Street, Suite 4000, Basswood  
Conference Room, Minneapolis, Minnesota, commencing  
at 8:56 a.m., Thursday, June 27, 2019.

\* \* \*

C O N F I D E N T I A L  
ATTORNEYS' EYES ONLY



1 Q. This is your first time?  
2 A. That is correct.  
3 Q. Okay. Tell me, what did you do to  
4 prepare for your deposition today?  
5 A. At this point, I believe you are  
6 asking me the types of research I did, I believe  
7 you are asking me the types of documents I looked  
8 at; is that correct?  
9 Q. I'm asking you what you did to prepare  
10 for your deposition today?  
11 A. Aah.  
12 Q. Yes.  
13 A. A different question. Thank you. I  
14 mounted a plane in the great State of Alabama, flew  
15 to the great State of Minnesota, and I met with the  
16 attorneys present.  
17 Q. Okay.  
18 A. I have also reviewed --  
19 MR. HINDERAKER: You don't have to  
20 reveal any communications or the work product of  
21 meetings with lawyers since you came to Minnesota.  
22 BY MS. JANUS:  
23 Q. Okay. And continue with your answer?  
24 A. Then I will -- that will suffice.  
25 Q. Okay. And so you reviewed documents? Page 7

1 A. Yes.  
2 Q. Okay. Which documents did you review  
3 to prepare for your deposition?  
4 A. I reviewed the original report I  
5 wrote, dated 4-19; I have reviewed the response to  
6 the other expert witness's rebuttal of my report,  
7 that's dated 5-31; and I reread the RFI published  
8 by Chubb in February of 2006, I believe it was.  
9 Q. Did you do anything else or review any  
10 other materials to prepare for your deposition?  
11 MR. HINDERAKER: And, again, my  
12 direction not to disclose the communications and  
13 the work that you did in Minnesota with lawyers.  
14 THE WITNESS: As I reread my report,  
15 if I saw a footnote -- you will recall my report is  
16 highly footnoted -- and I wanted to refresh my  
17 visual view of that document, I opened it up to  
18 refresh my memory.  
19 BY MS. JANUS:  
20 Q. So you looked at some of the documents  
21 that are cited in your footnotes?  
22 A. That is correct.  
23 Q. Okay. Anything else?  
24 A. No.  
25 Q. Did you speak with anyone other than Page 8

1 the attorneys here to prepare for your deposition?  
2 A. No. Unless you count the conversation  
3 with my wife, which said, hey, would you pretty  
4 please book me for a plane ticket to, or with the  
5 associate at Merchant & Gould, whose name I do not  
6 know, that made the hotel arrangements for me.  
7 Q. Okay. What are your opinions in this  
8 matter?  
9 A. My opinions in this matter only relate  
10 to the qualitative use of software in the property  
11 casualty writing of insurance policies process, be  
12 that writing new business or renewal, and how  
13 software can help in the quote, bind, book, issue  
14 process that I articulate in the reports.  
15 Q. Okay. So that is what your opinion in  
16 this matter relates to, correct?  
17 A. That is what my professional opinion  
18 in this matter relates to, and what my report and  
19 the rebuttal speak to.  
20 Q. Okay. And what is the opinion that  
21 you provide in this litigation?  
22 A. My opinion is that automated decision  
23 software and business rules management systems do,  
24 in fact, contribute to creation of revenue through  
25 the three primary vehicles an insurance company Page 9

1 uses to pursue growth, and those are speed, speed  
2 comes in two flavors, there are -- then there is  
3 ease of doing business, and then there is precision  
4 of price.  
5 Q. How does automated decision software  
6 contribute to the creation of revenue, in your  
7 opinion?  
8 A. In my opinion, automated decisioning  
9 improves speed in two ways. The first one is it  
10 improves the speed of response, in terms of requests  
11 for quotes or in terms of processing rules. The  
12 second is it improves the ease of doing business by  
13 requiring less effort on behalf of an agent and  
14 broker and, thereby, on behalf of their customer,  
15 the applicant or policyholder, and it provides  
16 precision in pricing in that it makes sure that the  
17 adequate accurate information is available to the  
18 underwriting process and can provide, in fact, I  
19 will call it statistical actuarial guidance into  
20 what the needed adequate accurate premium is for  
21 the risk.  
22 Q. And that statistical guidance, how  
23 does it provide statistical guidance?  
24 A. It will look at the attributes of  
25 the -- I will refer to it as the application, the Page 10

1 prospective risk, and it will say -- it will go  
2 through a statistical model, a set of algorithms  
3 that come back and say for this set of risk  
4 characteristics you need X amount of premium to  
5 cover the cost of the raw materials, the  
6 manufacturing cost, the administrative cost,  
7 et cetera.  
8 Q. Now, is your opinion in this matter  
9 generally about automated decision software?  
10 A. No.  
11 MR. HINDERAKER: Objection to the  
12 extent the question is vague.  
13 BY MS. JANUS:  
14 Q. You can go ahead and answer.  
15 A. My decision is based on the value of  
16 automated decision software and, then, Blaze as the  
17 selected automated decision software tool.  
18 Q. Okay. You provided some testimony  
19 about the speed, the ease of doing business, the  
20 precision of price, right?  
21 A. Correct.  
22 Q. Do you have an opinion as to those  
23 matters specifically in this case?  
24 A. Yes.  
25 Q. Okay. What is that?

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1 A. As I stated before, automated decision  
2 software improves all three of those aspects of the  
3 quote, bind, book, issue process, and Federal chose  
4 Blaze Advisor®, and Blaze Advisor contributed to  
5 those three things on behalf of Federal.  
6 Q. Did you measure what contribution you  
7 believe Blaze had to the three things you've  
8 mentioned?  
9 A. I used the term attributes.  
10 Q. Attributes?  
11 A. And that was not within the scope of  
12 my responsibilities.  
13 Q. What do you mean by that?  
14 A. What is not clear about it? My -- my  
15 responsibilities, as are articulated, were to  
16 provide a qualitative evaluation of decision -- the  
17 automated decision software and, then, Blaze  
18 Advisor as that chosen automated decision software.  
19 I have never been asked to provide an assessment of  
20 any quantitative numbers.  
21 Q. So when you say "qualitative  
22 evaluation," explain for someone who is not in your  
23 industry or has your background, what do you mean  
24 by that?  
25 A. Does it make speed of transactional

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1 processing faster, does it make speed of bringing  
2 new product to market faster, does it improve the  
3 ability of the company in its underwriting process  
4 to better define the, quote unquote, accurate and  
5 precise price.  
6 Q. So you're talking about whether  
7 automated decision software makes certain decisions  
8 at an insurance company faster, correct?  
9 A. Not sure I understand the question.  
10 Q. You said that the quantitative  
11 evaluation assesses whether the software makes the  
12 speed of transactional processing faster?  
13 A. Agree.  
14 Q. Right? And whether it makes the speed  
15 of --  
16 A. Agree.  
17 Q. -- new products faster?  
18 A. Agree.  
19 Q. Okay. But you have not measured  
20 whether, in fact, the automated decision software  
21 makes those functions faster, correct?  
22 A. That is correct. I will, however,  
23 point to you that I have a significant amount of  
24 gray hair and 41 years of experience, and I saw  
25 this at other companies, other insurance companies

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1 for which I worked and -- no, I'll close there.  
2 Q. You also said that your qualitative  
3 analysis is that automated decision software  
4 improves the ability to define accurate --  
5 A. Ade -- adequate precise premium.  
6 Q. Adequate precise premium. But you did  
7 not measure in this case whether Blaze Advisor  
8 improved that ability to define accurate and  
9 adequate price?  
10 A. I will reiterate my earlier statement.  
11 I was not asked to provide any quantitative  
12 analysis of any aspects of this case.  
13 Q. So the answer to my question is no?  
14 A. Correct.  
15 (Whereupon, Deposition Exhibit No. 513  
16 was marked for identification, and a copy is  
17 attached and hereby made a part of this deposition.)  
18 BY MS. JANUS:  
19 Q. Showing you what's been marked as  
20 Deposition Exhibit 513, do you recognize  
21 Exhibit 513?  
22 A. I recognize the front page and the  
23 back page as the beginning and the ending of the  
24 report I created.  
25 Q. Okay. Take a look at the document

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1 itself and let me know when you've satisfied  
2 yourself that it's a copy of your initial report in  
3 this matter.  
4 (Reporter's Note: The witness is  
5 reviewing Exhibit No. 513 for approximately two  
6 minutes.)  
7 THE WITNESS: [Witness coughing]  
8 Pardon me.  
9 (Reporter's Note: The witness  
10 continues reviewing Exhibit No. 513 for  
11 approximately five more minutes.)  
12 THE WITNESS: Finished.  
13 BY MS. JANUS:  
14 Q. Okay. Is that the expert report that  
15 you initially submitted in this matter?  
16 A. I will agree that upon cursory review  
17 this does appear to be an entirety. But, being the  
18 precise underwriter that I have been for so many  
19 years, until I laid your copy, your soft copy of  
20 the document and my soft copy of the document and  
21 ran a compare, I would not agree that it's exactly  
22 the same.  
23 Q. Okay. My question for you is, is  
24 Exhibit 513 a copy of the initial expert report you  
25 submitted in this matter?

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1 A. And my answer is it appears to be.  
2 Q. Excellent. All right. Do you have  
3 any reason to think that Exhibit 513 is not a copy  
4 of the initial expert report you submitted in this  
5 matter?  
6 A. I am a witness for plaintiff, you are  
7 counselor for the defense. That leaves a question.  
8 I have no reasonable belief, based on my cursory  
9 review of the document, that it is incorrect. But  
10 I will not absolutely state that it is because I  
11 haven't taken it through the due diligence process  
12 I normally take things through.  
13 MS. JANUS: Okay. Did you come,  
14 Mr. Hinderaker, with a copy of Mr. Whitener's  
15 expert report today?  
16 MR. HINDERAKER: Sure.  
17 MS. JANUS: Okay. Can we mark that  
18 as --  
19 MR. HINDERAKER: No, you can't mark --  
20 MS. JANUS: -- Exhibit 514?  
21 MR. HINDERAKER: No, you cannot mark  
22 my working copy as Exhibit -- we can --  
23 MS. JANUS: Would you -- I mean --  
24 MR. HINDERAKER: We have no -- as he  
25 just said, there's no -- there's no reason to think

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1 that it's not the expert report. If you're  
2 representing to us that it is, and I assume that  
3 you are, then let's proceed forward with 513.  
4 MS. JANUS: Okay, sounds good.  
5 BY MS. JANUS:  
6 Q. So we'll proceed forward with  
7 Exhibit 513 being a copy of the initial expert  
8 report you submitted in this matter, fair?  
9 A. Fair.  
10 Q. Okay. I'm going to hand you a copy of  
11 Exhibit 514.  
12 (Whereupon, Deposition Exhibit No. 514  
13 was marked for identification, and a copy is  
14 attached and hereby made a part of this deposition.)  
15 BY MS. JANUS:  
16 Q. Do you recognize Exhibit 514?  
17 A. Again, I recognize the first page and  
18 the last page as the pages of 514 that I submitted  
19 to Merchant & Gould, I will be happy to review this  
20 document in a similar fashion, if you would like.  
21 Q. Yes. I would like to know whether the  
22 Exhibit 514 is a copy of the reply expert report  
23 you submitted in this matter?  
24 (Reporter's Note: The witness is  
25 reviewing Exhibit No. 514 for approximately three

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1 minutes.)  
2 THE WITNESS: Ready.  
3 BY MS. JANUS:  
4 Q. Okay. Does Exhibit 514 appear to be a  
5 copy of your reply expert report submitted in this  
6 matter?  
7 A. It does appear to.  
8 Q. All right. Let's start with  
9 Exhibit 513, which is your initial report. On  
10 page 1, you state that you are being paid \$200 an  
11 hour for your work in this matter?  
12 A. That is correct.  
13 Q. And how much have you billed to date  
14 for your work in this matter?  
15 A. On a rounded to thousands basis,  
16 \$167,000.  
17 Q. In Information Considered, you note  
18 that you had a discussion with Bill Waid on  
19 November 12th, 2018, correct?  
20 A. That is correct.  
21 Q. Is that the only discussion you had  
22 with anyone other than the attorneys at  
23 Merchant & Gould to form the conclusions that  
24 you've reached in this matter?  
25 A. At the time of the writing of this

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1 **document, yes.**  
2 Q. Okay. Have you had discussions with  
3 anyone other than Bill Waid and other than the  
4 attorneys at Merchant & Gould in forming your  
5 conclusions in this matter?  
6 **A. My conclusions as represented by the**  
7 **initial report, my conclusions as represented by**  
8 **the rebuttal report reply, or my conclusions as**  
9 **stated earlier in the testimony?**  
10 Q. You -- you -- your conclusions in this  
11 matter, so it's all-encompassing?  
12 **A. All-encompassing. I have had a demo**  
13 **of the Blaze Advisor software.**  
14 Q. Okay. And when did that take place?  
15 **A. Earlier this week.**  
16 Q. What day?  
17 **A. Today is the 27th?**  
18 MR. HINDERAKER: Yes.  
19 THE WITNESS: The 26th.  
20 BY MS. JANUS:  
21 Q. So yesterday?  
22 **A. Yesterday.**  
23 Q. Okay.  
24 **A. I'm sorry, I choose to be a little**  
25 **more precise.**

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1 Q. Who provided the demo?  
2 **A. His first name was Thiago, T-H-I-A-G-O.**  
3 Q. Okay. What was his last name?  
4 **A. That's an excellent question, I don't**  
5 **remember.**  
6 Q. Okay. What was his role?  
7 **A. He provided the demo.**  
8 Q. Where is he employed?  
9 **A. He's employed by FICO.**  
10 Q. Do you know what his position at FICO  
11 is?  
12 **A. I do not.**  
13 Q. Who was present during the -- and I  
14 take it by demo, you mean a demonstration of --  
15 **A. Correct.**  
16 Q. Okay. Who was present at the  
17 demonstration?  
18 **A. The people in this room, excluding**  
19 **your company's representatives, the videographer**  
20 **and the court reporter, so --**  
21 Q. Mr. Hinderaker, Mr. Woodward?  
22 **A. And myself.**  
23 Q. Okay. And was Thiago the only other  
24 individual present for the demo?  
25 **A. To the best of my knowledge.**

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1 Q. Well, you were there. So I take it  
2 you know whether anyone else was present, correct?  
3 **A. I know who was in the room. Thiago**  
4 **was not, it was a WebEx -- or some similar**  
5 **Internet-based tool.**  
6 Q. So you -- so you were located at  
7 Merchant & Gould?  
8 **A. Correct.**  
9 Q. Okay. And Thiago was not at  
10 Merchant & Gould?  
11 **A. Correct.**  
12 Q. When did the demonstra -- dem -- we  
13 can refer to it as a demo of Blaze, when did that  
14 again?  
15 **A. Yesterday at 10:00 a.m. Central**  
16 **Daylight Time.**  
17 Q. How long did it last?  
18 **A. Approximately an hour and 30 minutes.**  
19 Q. Describe the demo for me?  
20 **A. Be more specific, please. I --**  
21 Q. I don't -- I need to know sort of the  
22 basics about what the demo entailed before I can be  
23 more specific.  
24 **A. Okay. He showed me how to create**  
25 **rules, how to -- for lack of a better descrip --**

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1 **description, concatenate rules, he showed me how**  
2 **the various levels of technology supported by Blaze**  
3 **Advisor dot net, Cobalt, Java feed to a centralized**  
4 **repository and access that repository, and he gave**  
5 **me a very brief overview of modifying a rule.**  
6 Q. Was this a prepared demonstration, in  
7 the sense that was there a presentation that went  
8 along with it, or was it simply a more informal  
9 conversation that you were having with Thiago?  
10 **A. I would describe it as a more informal**  
11 **conversation, although Thiago did pull up one slide**  
12 **from previous presentations, but he did not -- he**  
13 **would not do what I describe as making a presentation**  
14 **to me.**  
15 Q. Was the demonstration of Blaze  
16 specific to any company's use of Blaze?  
17 **A. Not really, no.**  
18 Q. Okay. Was Blaze -- was the  
19 demonstration of Blaze that you received yesterday  
20 connected to any particular program or industry?  
21 **A. I would describe his presentation as**  
22 **theoretical, but in executing the demonstration of**  
23 **creating rules -- the things I described, he chose**  
24 **to use a college admissions scenario.**  
25 Q. Okay. So he didn't give you a

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1 demonstration that was specific to the insurance  
2 industry, for instance?  
3 **A. That is correct.**  
4 **Q.** Okay. And he didn't give you a  
5 demonstration that had anything to do with Federal's  
6 use of Blaze?  
7 **A. Also --**  
8 **Q.** Correct?  
9 **A. Also correct.**  
10 **Q.** Blaze out of the box does not have any  
11 rules in it, correct?  
12 **A. That is correct, to the best of my**  
13 **understanding. The art -- the artifacts don't give**  
14 **me enough information to really know what Federal**  
15 **and what Blaze had at the beginning.**  
16 **Q.** Your understanding is that Blaze, as a  
17 software tool, does not have any specific subject  
18 matter, for instance?  
19 **A. That is correct.**  
20 **Q.** Correct? It does not import any  
21 expertise in any industry, correct?  
22 **A. I disagree with that.**  
23 **Q.** Does it have any rules out of the box  
24 relating to the insurance industry, for example?  
25 **MR. HINDERAKER:** I'm going to -- my

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1 mentioned that he showed you how to concatenate  
2 rules; is that right?  
3 **A. Yes, concatenate.**  
4 **Q.** Concatenate?  
5 **A. Yeah.**  
6 **Q.** And what do you mean by that?  
7 **A. Well, in the world that I live in, in**  
8 **the underwriting world, rarely do you make decisions**  
9 **based on one single data element, you consider**  
10 **multiple. So he showed me how to have the**  
11 **individual rules interact with each other.**  
12 **So the -- so if you have three rules,**  
13 **the first rule could be based on an and statement,**  
14 **so it's inclusive, but then the next two rules**  
15 **could be based on an or statement, meaning it's one**  
16 **or the other. That's what I mean.**  
17 **Linked the rules might be a better**  
18 **word than concatenate, but --**  
19 **Q.** To link, did you say?  
20 **A. Yes.**  
21 **Q.** And he showed you how to create rules,  
22 you said?  
23 **A. Yes.**  
24 **Q.** Okay. And how is that done, how is --  
25 what is your understanding of how you create rules?

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1 only objection is to the phrase "out of the box,"  
2 which is vague and inaccurate.  
3 **BY MS. JANUS:**  
4 **Q.** Do you know what I mean by out of the  
5 box?  
6 **A. I know what I believe out of the box**  
7 **means. I have no idea what you mean.**  
8 **Q.** Okay. What do you interpret out of  
9 the box to mean?  
10 **A. Let's -- let's go to a personal**  
11 **computer example, because most people understand**  
12 **that. You buy shrink-wrap software. Let's pretend**  
13 **that it's Microsoft Office. You cut the shrink**  
14 **wrap, take out the disk, you load the software, and**  
15 **it has only the executable code in it, it contains**  
16 **no data.**  
17 **So, if that's the definition of out of**  
18 **the box, I suspect, but do not know, that Federal**  
19 **received a out-of-the-box version of Blaze Advisor.**  
20 **Q.** And, essentially, what you've  
21 described as when it first received or downloaded  
22 Blaze Advisor from FICO, we'd characterize that as,  
23 essentially, out of the box?  
24 **A. Yes.**  
25 **Q.** Okay. Going back to the demo, you've

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1 **A. I -- I believe you are giving me way**  
2 **too much credit for my memory from the demo. I'm**  
3 **not sure I can describe that.**  
4 **It's a -- it's -- it has the -- it has**  
5 **the ability for you to say this is the name of a**  
6 **rule, and the criteria for that rule it has to**  
7 **be -- and I'm going to -- it has to be not sand and**  
8 **gravel, trucking companies.**  
9 **Q.** Okay. And speaking about Blaze  
10 generally now, is it your understanding that the  
11 rules that are put into Blaze come from the  
12 business expertise of the entity that's using  
13 Blaze?  
14 **A. I'm not quite sure what you mean by**  
15 **the phrase "put into."**  
16 **Q.** Okay. Well, what would -- how would  
17 you describe the rules in Blaze?  
18 **A. As I -- as I articulate in the report,**  
19 **there is -- there is -- it's a multistep process.**  
20 **So there's creation of the rules, and based on the**  
21 **artifacts, the rules were created by the -- the**  
22 **definition of the rules. Okay. We will not write**  
23 **sand and gravel trucks, as an example, was created**  
24 **by Federal. But then there's the writing of the**  
25 **rule into the software. Artifacts indicate that**

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<p>1 <b>Advisor, and if the rule is you can't do this if</b>                  2 <b>the person is age 21 and under and you want to</b>                  3 <b>change that to 25 and under, you highlight the 1,</b>                  4 <b>and you press the delete key, you type in 5, and</b>                  5 <b>then you save it.</b>                  6 THE WITNESS: Thank you, Allen.                  7 MR. HINDERAKER: You're welcome.                  8 BY MS. JANUS:                  9 Q. Did the presentation yesterday or the                  10 demo yesterday refer in any way to Federal?                  11 <b>A. No.</b>                  12 Q. Did Thiago discuss Federal's use of                  13 Blaze?                  14 <b>A. No.</b>                  15 Q. Do you know whether Thiago had any                  16 knowledge of Federal's use of Blaze?                  17 <b>A. No.</b>                  18 Q. Did you discuss the deposition today                  19 with Thiago?                  20 <b>A. No.</b>                  21 THE WITNESS: Excuse me. My sinuses                  22 are not particularly fond of Minnesota, the great                  23 State of Minnesota.                  24 MS. JANUS: We've been going about an                  25 hour. If you want to take a quick break?</p> <p style="text-align: right;">Page 39</p>	<p>1 with anyone in preparing your reports?                  2 MR. HINDERAKER: Again, exclusive of                  3 lawyers.                  4 THE WITNESS: Well, then, my response                  5 is exclusive of attorneys, no.                  6 BY MS. JANUS:                  7 Q. Okay. And the demonstration you had                  8 yesterday with Thiago was the first time that you                  9 had talked with anyone at FICO other than Bill                  10 Waid, correct?                  11 <b>A. Yes, that is correct.</b>                  12 Q. You refer to the conversation you had                  13 with Bill Waid on November 12th, 2018, in your                  14 report. Was that a conversation over the phone?                  15 <b>A. Yes.</b>                  16 Q. How long did it last?                  17 <b>A. Oh, I'm sorry, I couldn't guess. If</b>                  18 <b>you want me to pull a number out of the air, I'd</b>                  19 <b>say 45 minutes. It was -- it was longer than</b>                  20 <b>15 minutes and it was less than two hours,</b>                  21 <b>45 minutes.</b>                  22 Q. And did you only have one conversation                  23 with Mr. Waid?                  24 <b>A. That is correct.</b>                  25 Q. What did you discuss with Mr. Waid</p> <p style="text-align: right;">Page 41</p>
<p>1 THE WITNESS: I think I can go like                  2 ten more minutes.                  3 MS. JANUS: Okay.                  4 THE WITNESS: But I am going to need a                  5 break shortly.                  6 MS. JANUS: All right. Well, why                  7 don't we just break now and then --                  8 THE WITNESS: That's fine.                  9 MS. JANUS: -- we can reconvene.                  10 THE WITNESS: Okay.                  11 THE VIDEOGRAPHER: Going off the                  12 record. The time is 10:00 a.m.                  13 (Break from 10:00 to 10:08.)                  14 THE VIDEOGRAPHER: We're back on the                  15 record. The time is 10:08 a.m.                  16 BY MS. JANUS:                  17 Q. You have referred to artifacts several                  18 times this morning. What do you mean by that?                  19 <b>A. I mean the case documents that I have</b>                  20 <b>been provided for reading, review and use.</b>                  21 <b>Artifacts is a -- is a insurance industry</b>                  22 <b>technological term. All business requirements, for</b>                  23 <b>instance, are referred to as artifacts.</b>                  24 Q. Other than the demo that you received                  25 from Thiago, have you had any other conversations</p> <p style="text-align: right;">Page 40</p>	<p>1 during the conversation?                  2 MR. HINDERAKER: I believe there were                  3 lawyers involved --                  4 THE WITNESS: That is correct.                  5 MR. HINDERAKER: -- in that                  6 conversation. So we'll maintain a work product and                  7 a privilege objection. I don't have any quarrel                  8 with you asking about whether any of that                  9 conversation bears on the opinions that are                  10 reported. But the conversation per se with the                  11 lawyers involved and the work product, I -- I                  12 instruct you not to disclose that.                  13 BY MS. JANUS:                  14 Q. Did your conversation with Bill Waid                  15 inform any of the opinions that you have in this                  16 matter?                  17 <b>A. No.</b>                  18 Q. Why did you list it under information                  19 considered in your report on page 1?                  20 <b>A. Because I felt that not to list it</b>                  21 <b>would be erroneous on my part, because I, in fact,</b>                  22 <b>talked with him.</b>                  23 Q. Okay. And your testimony is that none                  24 of the information that you obtained during your                  25 conversation with Mr. Waid has any bearing at all</p> <p style="text-align: right;">Page 42</p>



1 on your opinions in this matter?  
2 **A. Correct.**  
3 Q. What topics did you discuss with  
4 Mr. Waid during the call in November 12th?  
5 MR. HINDERAKER: I object to that as  
6 work product and attorney-client privilege.  
7 BY MS. JANUS:  
8 Q. Are you --  
9 MR. HINDERAKER: And I instruct you  
10 not to answer.  
11 BY MS. JANUS:  
12 Q. Are you following that instruction?  
13 **A. I am.**  
14 Q. What questions did you ask Mr. Waid  
15 during your conversation on November 12th, 2018?  
16 MR. HINDERAKER: I have the same  
17 objections, and I instruct you not to answer.  
18 THE WITNESS: I follow the advice of  
19 counsel for plaintiff.  
20 BY MS. JANUS:  
21 Q. What answers did Mr. Waid give to the  
22 questions that you asked him on November 12th, 2018?  
23 MR. HINDERAKER: I have the same  
24 objections, and I instruct the witness not to  
25 answer.

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1 THE WITNESS: I comply with plaintiff  
2 counsel's request.  
3 BY MS. JANUS:  
4 Q. Did -- Who was present on the phone  
5 call with Mr. Waid on November 12th, 2018?  
6 **A. There were four people involved in the**  
7 **phone call, myself, Mr. Waid and two lawyers.**  
8 THE WITNESS: The lawyers names?  
9 MR. HINDERAKER: If she wants to know,  
10 that's fine.  
11 THE WITNESS: Mr. Woodward and  
12 Missus -- if I wouldn't --  
13 MR. HINDERAKER: Kliebenstein.  
14 THE WITNESS: Yeah, Mrs. Kliebenstein.  
15 I always -- I don't get -- I don't have a problem  
16 with the Stein, it's the Klee (phonetic), because  
17 I'm prone to turn her into a Kly (phonetic). I'm  
18 sorry, continue, please.  
19 BY MS. JANUS:  
20 Q. All right. Let's talk about your  
21 education and experience, which begins on page 2 of  
22 your report.  
23 **A. I'm there.**  
24 Q. Okay. You write that you "have worked  
25 in many parts of the insurance industry, including

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1 underwriting, financial management, planning,  
2 product development, project management, general  
3 (field operations) management, and business  
4 management of technology," correct?  
5 **A. That is correct.**  
6 Q. And so would you say it's a fair  
7 characterization that most of your experience in  
8 the insurance industry does not directly relate to  
9 technology?  
10 **A. No.**  
11 Q. Only one of the categories of  
12 experience that you list -- and having worked in  
13 many parts of the insurance industry -- includes  
14 any direct connection to technology, correct?  
15 **A. I agree with that statement.**  
16 Q. Okay. And that's the last one that  
17 you list, the business management of technology,  
18 correct?  
19 **A. Correct.**  
20 Q. You say you've had experience  
21 underwriting, correct?  
22 **A. Correct.**  
23 Q. And as -- when you say experience  
24 underwriting, describe what type of experience,  
25 just in general terms, you're referring to?

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1 **A. As an underwriter -- I was an**  
2 **underwriter twice, in Hartford, Connecticut, and**  
3 **in -- the second time in Washington, D.C. My**  
4 **general responsibilities will be similar to --**  
5 **which you will hear almost any underwriter describe,**  
6 **I was responsible for interfacing with and selling**  
7 **The Hartford to independent agents in a -- a**  
8 **specific defined territory. I was responsible for**  
9 **underwriting for that group of agents, every new**  
10 **business application that came in that they**  
11 **submitted. I was responsible for reviewing and**  
12 **underwriting any changes to policies that were**  
13 **submitted by those agents that required**  
14 **underwriting attention. I was responsible for**  
15 **reviewing renewals that were come -- policies that**  
16 **were coming up for renewal to determine whether we**  
17 **wanted to make any modifications or we were just**  
18 **going to allow the renewal to continue as is. I**  
19 **was responsible for underwriting what The Hartford**  
20 **called risk alerts. So if the claims department**  
21 **flagged a specific claim as needing scrutiny and**  
22 **that claim was for a policy submitted by one of the**  
23 **agents for which I was responsible, I would review**  
24 **that policy almost immediately after the claims**  
25 **occurrence had taken place. That's a 50,000 foot**

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<p>1 <b>overview.</b></p> <p>2 Q. Okay. I take it in your work as an</p> <p>3 underwriter, your expertise, your personal</p> <p>4 expertise was important to the performance of your</p> <p>5 underwriting duties?</p> <p>6 <b>A. Yes.</b></p> <p>7 Q. Your personal judgment was crucial in</p> <p>8 the performance of your underwriting duties, correct?</p> <p>9 <b>A. Yes.</b></p> <p>10 Q. Would you say your expertise and</p> <p>11 judgment in underwriting were the most important</p> <p>12 aspects of your success as an underwriter?</p> <p>13 <b>A. No.</b></p> <p>14 Q. What was?</p> <p>15 <b>A. I -- I do not undervalue the</b></p> <p>16 <b>importance of that expertise. However, that is one</b></p> <p>17 <b>part of a Rubik's Cube.</b></p> <p>18 <b>So my ability to have a high level</b></p> <p>19 <b>of -- are you familiar with the phrase EQ, emotional</b></p> <p>20 <b>quotient, and be able to interface with a very,</b></p> <p>21 <b>very diverse agency plant and then a very, very</b></p> <p>22 <b>diverse group of people inside of the agency plant</b></p> <p>23 <b>in combination with various other departments, such</b></p> <p>24 <b>as claims, loss control, marketing, and my peers in</b></p> <p>25 <b>other underwriting departments, such as bond and</b></p> <p style="text-align: right;">Page 47</p>	<p>1 admin system?</p> <p>2 <b>A. Multiple admin policy systems.</b></p> <p>3 Q. But you did not use the policy admin</p> <p>4 system as an underwriter?</p> <p>5 <b>A. This was 1977, that is correct.</b></p> <p>6 Q. Did you as an underwriter define rules</p> <p>7 that were used by The Hartford to underwrite</p> <p>8 insurance?</p> <p>9 <b>A. At what point in time?</b></p> <p>10 Q. Any point in time?</p> <p>11 <b>A. Yes.</b></p> <p>12 Q. Okay. When did you do that?</p> <p>13 <b>A. That would have been when -- pardon</b></p> <p>14 <b>me. That would have been when I was now back --</b></p> <p>15 <b>back up in home office, excuse me, and had come</b></p> <p>16 <b>back to the underwriting department from the</b></p> <p>17 <b>planning department.</b></p> <p>18 Q. Do you have a rough time period on</p> <p>19 that?</p> <p>20 <b>A. Um, I believe I came back from the</b></p> <p>21 <b>planning department in late nineteen eighty -- yes,</b></p> <p>22 <b>'84, yeah, give or take a century.</b></p> <p>23 Q. And we'll go through the experience</p> <p>24 that you've listed. But just in general terms,</p> <p>25 what was your role in creating rules that were used</p> <p style="text-align: right;">Page 49</p>
<p>1 <b>commercial lines, was very important. That's one</b></p> <p>2 <b>of the reasons I like the underwriting, because you</b></p> <p>3 <b>actually have your hands in so much of the business.</b></p> <p>4 Q. So you're -- you said emotional</p> <p>5 quotient?</p> <p>6 <b>A. Yes.</b></p> <p>7 Q. And do you sometimes refer to that as</p> <p>8 emotional intelligence?</p> <p>9 <b>A. Some people do.</b></p> <p>10 Q. Okay.</p> <p>11 <b>A. When I grew up, it was EQ. Now it's</b></p> <p>12 <b>EI.</b></p> <p>13 Q. Okay. And that --</p> <p>14 <b>A. But it's the same thing.</b></p> <p>15 Q. Same thing, okay. And so your EQ or</p> <p>16 EI was crucial to your success as an underwriter?</p> <p>17 <b>A. Agreed.</b></p> <p>18 Q. Okay. Did you use technology as an</p> <p>19 underwriter with The Hartford?</p> <p>20 <b>A. Define technology, please. A</b></p> <p>21 <b>Monroe -- a Monroe JD-30 calculator is technology.</b></p> <p>22 <b>I had a Monroe JD-30 calculator on my desk. Okay.</b></p> <p>23 <b>Did I interface and type into the policy admin</b></p> <p>24 <b>system? No.</b></p> <p>25 Q. Okay. So The Hartford had a policy</p> <p style="text-align: right;">Page 48</p>	<p>1 in the underwriting process?</p> <p>2 <b>A. We would have an annual review. So,</b></p> <p>3 <b>at this point, I was in what was called the line of</b></p> <p>4 <b>business. Today you would know it as the product</b></p> <p>5 <b>department, and we would -- we would have an annual</b></p> <p>6 <b>review using multiple data sources, actuarial data,</b></p> <p>7 <b>profit and loss statements for our various products</b></p> <p>8 <b>by jurisdiction, and that jurisdiction was down</b></p> <p>9 <b>into the individual rating territory, and we would</b></p> <p>10 <b>look and we would see if we wanted to modify our</b></p> <p>11 <b>rules, add rules, subtract rules, change from 21 to</b></p> <p>12 <b>25, change from sand and gravel to U-Haul vans,</b></p> <p>13 <b>kind of a thing.</b></p> <p>14 Q. So you looked at the data that you had</p> <p>15 based on past performance, correct?</p> <p>16 <b>A. I'm not -- I'm not sure I understand</b></p> <p>17 <b>the question.</b></p> <p>18 Q. Well, you described --</p> <p>19 <b>A. As it relate -- as it relates to my</b></p> <p>20 <b>time at The Hartford?</b></p> <p>21 Q. Yes.</p> <p>22 <b>A. Okay. Now restate the question,</b></p> <p>23 <b>please.</b></p> <p>24 Q. Okay. So you -- you -- you were</p> <p>25 describing the process of creating rules when you</p> <p style="text-align: right;">Page 50</p>

1 into a consumer's decision to purchase a given  
2 insurance product. I take it you'd agree with me  
3 that if an insurance company uses Blaze in some  
4 aspect of the process to underwrite an insurance  
5 product for a particular customer, that the use of  
6 Blaze in and of itself would not influence that  
7 customer's decision to purchase the product, would  
8 you agree with that?  
9 **A. I agree that the direct consumer, be**  
10 **it a business or a family entity, personal lines,**  
11 **does not see or care about any of the technologies**  
12 **that an insurance company takes to -- I'm going to**  
13 **use the word fulfill, fulfill its insurance**  
14 **process, be it policy issuance, be it claims, be it**  
15 **billing. The consumer is oblivious to that. I**  
16 **probably would --**  
17 MR. HINDERAKER: Go ahead, finish your  
18 answer.  
19 THE WITNESS: I probably would not  
20 make the same statement for the broker.  
21 BY MS. JANUS:  
22 Q. So the consumer that you referred to  
23 does not care whether Federal uses Blaze in any of  
24 its processes in connection with selling or  
25 administering a given insurance policy, fair?

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1 MR. HINDERAKER: The question  
2 misstates the answer, and I object for that reason.  
3 THE WITNESS: May I answer?  
4 MS. JANUS: Yes.  
5 THE WITNESS: Or respond?  
6 MR. HINDERAKER: Yes, you may.  
7 THE WITNESS: Okay. Thank you. Just  
8 asking for the rules.  
9 The consumer cares that the value  
10 proposition, a combination of coverages, exclusions  
11 and price, meet their needs and their expectation.  
12 Okay. The insurance company cares that the -- oh,  
13 and, I'm sorry, I need to put speed in there. All  
14 right. So -- so if you look at speed of response  
15 and you look at adequacy of price in combination  
16 with the proposed package, the consumer cares about  
17 that. The broker --  
18 BY MS. JANUS:  
19 Q. I'm sorry, let me just stick with my  
20 question for a moment. I want to make sure I've  
21 got an answer to my question.  
22 I asked you whether you would agree  
23 that the consumer does not care that Federal may  
24 use Blaze as a part of its complex processes to  
25 issue or underwrite a particular insurance product?

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1 MR. HINDERAKER: I'm going to object  
2 to the argumentative nature of that. He was trying  
3 to answer --  
4 MS. JANUS: No, no, no, no, don't  
5 coach him, don't coach him.  
6 MR. HINDERAKER: I'm not.  
7 MS. JANUS: Al, I'll stop you there.  
8 MR. HINDERAKER: Fine.  
9 MS. JANUS: Let's not get into that.  
10 It was a fair question, it wasn't argumentative.  
11 MR. HINDERAKER: And you --  
12 MS. JANUS: I want an answer.  
13 MR. HINDERAKER: I was just trying to  
14 say, he was trying to answer that question. So let  
15 him finish his answer, please.  
16 MS. JANUS: Please don't raise your  
17 voice with me.  
18 MR. HINDERAKER: Oh, I wasn't --  
19 MS. JANUS: And stop coaching the  
20 witness. As soon as I get to a question you don't  
21 like, you start coaching. Okay.  
22 MR. HINDERAKER: I --  
23 MS. JANUS: Let's stop it now. He's  
24 your expert, he should be able to handle it.  
25 MR. HINDERAKER: I like your --

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1 MS. JANUS: All right. I'm going to --  
2 MR. HINDERAKER: I like -- I liked  
3 your question.  
4 MS. JANUS: I'm going to --  
5 MR. HINDERAKER: And I'd like him to  
6 have a chance to answer.  
7 BY MS. JANUS:  
8 Q. I'm going to ask my question again,  
9 and I'd like an answer to it, and I think -- I  
10 think your previous answers pretty obviously  
11 suggest this. I just want to make it clear on the  
12 record, as I'm entitled to do, I'm entitled to  
13 create the record.  
14 You would agree with me, I take it,  
15 based on your previous testimony, that a consumer  
16 making a decision to purchase an insurance product  
17 from Federal does not care whether or not Blaze was  
18 used at any point in the process of selling or  
19 underwriting that insurance product, correct?  
20 **A. Correct.**  
21 Q. You would agree with me that, in fact,  
22 a consumer making a decision to purchase an  
23 insurance product from Federal does not know that  
24 Blaze was used at any point in the process in  
25 selling or underwriting that product, correct?

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1 A. The consumer is oblivious to any of  
2 the tools the insurance company uses to construct,  
3 deliver and fulfill their products. They don't  
4 want to know.  
5 Q. And there are many, many tools that an  
6 insurance company uses to do that, correct?  
7 A. I've never seen an insurance company  
8 have less than three. To say many, I can't speak  
9 to that.  
10 Q. There are many technologies that an  
11 insurance company -- let's talk about Federal.  
12 Federal uses many, many technologies in conducting  
13 its business, correct?  
14 A. Yes.  
15 Q. Blaze is one technology that Federal  
16 uses, correct?  
17 A. Pardon me. That is correct.  
18 Q. Is it fair to say that to the extent  
19 Blaze is used by Federal it's in the background,  
20 correct?  
21 A. From whose perspective?  
22 Q. The consumer's.  
23 A. Correct.  
24 Q. It is a back office issue, correct?  
25 A. It is a back office issue that creates

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1 things about which the consumer greatly cares.  
2 Q. Unbeknownst, its use is unbeknownst to  
3 the consumer, correct?  
4 A. The consumer is not concerned about  
5 how those three things are created, they're just  
6 concerned that those three things exist.  
7 Q. You would agree with me that Federal  
8 does not market or sell Blaze, correct?  
9 A. Excuse me. Yes. I -- I would agree  
10 that I have no indication that they do that or have  
11 any interest in doing that.  
12 Q. You would agree with me that Blaze is  
13 just one part of Federal's IT infrastructure,  
14 correct?  
15 A. As I articulate in my reply to  
16 Mr. McCarter's report, it is one of many  
17 technologies. But my job was not to value the  
18 size of -- not value -- to evaluate qualitatively  
19 the size of Federal's technology footprint, but it  
20 is one of many.  
21 Q. So you did not conduct an analysis of  
22 how significant a part of Federal's IT infrastructure  
23 Blaze is?  
24 A. Significant is an ambiguous word.  
25 There are multiple ways to find that. One -- one

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1 can, in fact, be, as Mr. McCarter pointed out, the  
2 raw arithmetical, it's one of -- and off the top of  
3 my head I don't remember his number, let's say a  
4 thousand, it's one of a thousand technologies.  
5 That is irrelevant in my opinion. I'm  
6 not measuring, I'm not evaluating, I'm not trying  
7 to quantify the impact of the overall footprint of  
8 a company. I'm evaluating the value -- the  
9 qualitative value of a software in executing the  
10 insurance process.  
11 Q. Let's go back to your background. We  
12 talked about product development. You also list  
13 product management?  
14 A. Yes.  
15 Q. What -- what does that refer to?  
16 A. Do you recall my description of the  
17 insurance product as rates, rules and forms?  
18 So, in product management, for a  
19 specified jurisdiction for a period of time, a  
20 defined period of time, and for the departments of  
21 insurance that regulate the insurance industry, my  
22 responsibility was management of -- I'll use the  
23 management term, management of the definition of  
24 the rates, rules and forms within my scope of  
25 geographic regulatory and agent responsibilities.

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1 Q. So the focus of product management is  
2 not technology, correct?  
3 A. Uh, correct.  
4 Q. You also did general (field operations)  
5 management?  
6 A. Also correct.  
7 Q. And is -- what is general (field  
8 operations) management?  
9 A. General (field operations) management  
10 is -- may -- may I couch this in terms of Federal?  
11 MR. HINDERAKER: Sure.  
12 THE WITNESS: Okay. Federal makes  
13 reference to their underwriters who are out in the  
14 field and the fact that they had three centers.  
15 Okay. I was a manager of all of the service people  
16 and all of the processors and about 90 percent of  
17 the underwriting function inside of an office. So  
18 we were the interface to the agent. We were the  
19 ones where the new business applications arrived on  
20 those people's desks.  
21 BY MS. JANUS:  
22 Q. The focus of your general (field  
23 operations) management was not technology, correct?  
24 A. I struggle to answer this one,  
25 respectfully. I -- I -- I respectfully point out

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1 that I am going to struggle to answer this one  
2 because one of the reasons that they sent me there  
3 was I knew technology and we had to reengineer the  
4 office.  
5 So, in the course of time that that  
6 was off -- that I was at that office, we did a  
7 number of reengineering, redesign of the physical  
8 plant things, and technology, both telephone  
9 technology and policy admin processing technology  
10 were some of the big changes we made. We moved out  
11 of -- we -- we moved out of a green screen -- Are  
12 you familiar with the phrase green screen from a  
13 technology standpoint? Yeah. It's -- it's not  
14 what you see when you go home and you launch your  
15 computer. Your computer is giving you a graphical  
16 user interface, you use a mouse. That didn't exist  
17 back in those days. It was a green screen. All  
18 you could do was hit up and down arrows to move  
19 from field to field.  
20 We replaced that Cobalt system, dumb  
21 terminals, with a local area network, Compaq  
22 Presario 33 personal computers, and we installed an  
23 entire networking system. It was actually a star  
24 topology, if that means anything to you, and  
25 migrated all of those people I was talking about

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1 that used the computer, we put in a gateway so that  
2 the personal computers could talk to a controller,  
3 a gateway that would then talk to the mainframe.  
4 Q. So by -- are -- are you saying that  
5 you managed -- you were the general manager of an  
6 IT department that performed those functions?  
7 A. No. I was the -- I will not call  
8 myself the general manager because my boss was  
9 called the general manager. But I was the manager  
10 responsible for making the telephone system and the  
11 transition to the personal computers happen across  
12 122 people in that office.  
13 Q. And then you mentioned business  
14 management of technology?  
15 A. Yes.  
16 Q. And what do you mean by that?  
17 A. In approximately 1987, we discovered  
18 that we were doing an outstanding job of poorly  
19 executing the acquire adequate premium process. I  
20 was in home office at this time, I was at  
21 headquarters, and my upline dragged me into a room,  
22 and we sat down and we, over the course of about  
23 three days, crafted a plan of all of the things we  
24 wanted to do from a technology statement -- I'm  
25 sorry, statement -- standpoint to close holes.

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1 This is -- this is the part of the --  
2 this is a part of my career where I actually  
3 authored rules on the piece of paper, not for the  
4 system because it was going to go to a Cobalt-based  
5 system. And then, after we had done that, we had  
6 36 what we call strategic initiatives, specific  
7 projects that had to be implemented over the course  
8 of the next three years, and they looked at me and  
9 said, go make it happen.  
10 As part of that, the information  
11 technology department looked and said we can't get  
12 all of this done and everything else, and I  
13 implemented what I call a priority management  
14 system that took all existing projects and tabled  
15 them, and then every programming hour inside of a  
16 month we re -- we monthly released at The Hartford  
17 in those days, typical of a Cobalt system, a  
18 Cobalt-based system, and so -- we had 55 programmers,  
19 and they spent their time on nothing but did not  
20 have a document that had my signature on it. I set  
21 the priorities.  
22 Now, obviously, my boss wanted to know  
23 what was going on. But in the three years we were  
24 doing this, he never changed the priority on me. I  
25 was well-known in the IT department of The Hartford.

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1 Some of them even liked me.  
2 Q. You were at Hartford from 1977 through  
3 what year?  
4 A. I believe it was 1993.  
5 Q. Did The Hartford use a rules  
6 management software?  
7 A. No. May I point out that they didn't  
8 exist at that time.  
9 Q. How did The Hartford implement its  
10 rules?  
11 A. Mr. McCarter's strategy or alternative  
12 number two. Our rules were hard coded into the  
13 Cobalt.  
14 Q. When you left The Hartford -- let me  
15 stick with The Hartford for a moment, actually.  
16 You talk about --  
17 A. [Witness coughs] Excuse me.  
18 Q. -- Equifax's CLUE, C-L-U-E?  
19 A. Comprehensive loss underwriting  
20 exchange.  
21 Q. Is that what you were just referring?  
22 A. No.  
23 Q. No, okay. What is -- explain what  
24 CLUE is?  
25 A. CLUE is a third-party information

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1 A. A policy administration system is the  
2 system that executes an insurance company's quote,  
3 bind, book, issue process for multiple transactions.  
4 In addition, it executes the termination process  
5 for policies that an insurance company may have  
6 already sold. It is the -- it is the core database  
7 of characteristics. I'm 64 years old, that's an  
8 insure -- that's an insurance characteristic. I  
9 have gray hair, that's not an insurance  
10 characteristic.  
11 So it -- it was the -- it was the  
12 prelim -- it is the preliminary database as it  
13 relates to that quote, bind, book, issue terminate  
14 and -- change-and-terminate process, it's the  
15 engine. Oh, pardon me.  
16 Q. Federal, I take it, has policy  
17 administration systems?  
18 A. Multiple.  
19 Q. Are any of those policy administration  
20 systems at issue in this case?  
21 A. Yes. Well, the use of Blaze Advisor  
22 as the rules management system or the automated  
23 decision system as used by several of those policy  
24 administration systems is part of this case or  
25 is -- is relevant to this case.

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1 Q. Which systems are those?  
2 A. Memory test. All right. So may I go  
3 to my report?  
4 Q. Sure.  
5 A. All right. CSI Express is used by the  
6 Chubb Specialty Insurance small business unit -- or  
7 strategic business unit. Excuse me.  
8 Q. Which paragraph of your report are you  
9 looking at?  
10 A. I am looking at multiple paragraphs,  
11 but let's start on page 7, section V, paragraph 28.  
12 Q. Okay.  
13 A. Shall I continue?  
14 Q. So CSI Express is a policy --  
15 A. Administration system.  
16 Q. Administration system. And CSI  
17 Express was developed by Federal, correct?  
18 A. I cannot answer that question. I  
19 don't know. I mean, I didn't do a history of  
20 Federal's deployment of technology. I will say  
21 this, I expect so, but I cannot definitively  
22 confirm or deny that.  
23 Q. Okay. And CSI Express was in use at  
24 Federal prior to Federal's use of Blaze, correct?  
25 A. The artifacts indicate that that is

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1 the case, yes.  
2 Q. Blaze is used in CSI Express, correct?  
3 A. The artifacts indicate that that is  
4 the case, yes.  
5 Q. It is one small part of CSI Express,  
6 correct?  
7 A. CSI Express uses multiple technologies.  
8 It is a component of that. The relative size or  
9 significance of it depends on your denominator. So  
10 I can't respond to that.  
11 Q. Okay. So you don't know how  
12 significant of a component Blaze is within CSI  
13 Express?  
14 A. Significance of component cannot be  
15 assessed until you tell me what the denominator is.  
16 Are you measuring it as one against X numbers of  
17 technologies, are you measuring it against the  
18 relative functional value that each of the  
19 individual components contributes to the quote,  
20 bind, book, issue process? I don't know what your  
21 denominator is.  
22 Q. Well, how would you -- did you -- did  
23 you measure -- let me ask it this way. Did you  
24 measure the relative significance of Blaze in CSI  
25 Express as compared to the other technologies that

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1 are used in CSI Express?  
2 A. I submit to you that my entire report  
3 is an evaluation of the functional value of Blaze  
4 Advisor inside of multiple of the Federal policy  
5 administration systems.  
6 Q. And we're talking about CSI Express  
7 first.  
8 A. Okay.  
9 Q. My question for you is, did you do any  
10 measurement or analysis of how significant a part  
11 of CSI Express Blaze is?  
12 MR. HINDERAKER: I'd like to object to  
13 the question as multiple in form, one is  
14 significance, the other is analysis. Which are you  
15 asking?  
16 MS. JANUS: I think you mean  
17 measurement or analysis.  
18 BY MS. JANUS:  
19 Q. So let's start with measurement?  
20 A. I did not quantitatively measure in  
21 terms of this report. My responsibility was  
22 qualitative and functional.  
23 Q. So are you able to opine as to the  
24 specific value that comes from CSI Express that is  
25 attributable to Blaze?

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1 A. I'm able to opine the functional value  
 2 attributable to Blaze as it relates to the execution  
 3 of business rules inside of the policy administration  
 4 system which is using the software.  
 5 Q. What is that?  
 6 A. In this case we're discussing CSI  
 7 Express.  
 8 Q. Right. But you're saying you're able  
 9 to opine on the functional value?  
 10 A. Yes.  
 11 Q. Okay.  
 12 A. Oh, good.  
 13 Q. And what do you --  
 14 A. Good. I'm sorry. Now I understand  
 15 your question. Okay.  
 16 So let's go back to my three things  
 17 that are important: speed, ease of doing business,  
 18 and accuracy and adequacy of the price. Blaze  
 19 functionally makes all of those better. It improves  
 20 the speed of response for the independent broker.  
 21 It makes the job of the independent broker easier,  
 22 which translates then into the ease that the  
 23 applicant or customer experiences, and it is  
 24 contributing to the adequacy of the price for the  
 25 proposed coverage package.

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1 Q. Are those all functions that CSI  
 2 Express performs or Blaze specifically?  
 3 A. Both.  
 4 Q. Have you done an analysis of what  
 5 amount of improvement to speed, ease of doing  
 6 business, adequacy of price is attributable to  
 7 Blaze --  
 8 A. That --  
 9 Q. -- as opposed to CSI Express?  
 10 A. That was outside of the scope of my  
 11 responsibilities.  
 12 Q. So you can't opine as to what  
 13 improvements, if any, in terms of speed, ease of  
 14 doing business or adequacy of price are specifically  
 15 attributable to Blaze, correct?  
 16 A. Quantitatively, no. Qualitatively,  
 17 yes, the things I've already articulated.  
 18 Q. The things you've articulated, though,  
 19 relate to the functioning of CSI Express generally,  
 20 correct?  
 21 A. They relate to the -- to all of the  
 22 tools and mechanisms used by the owner of the  
 23 software, Federal, to execute their quote, bind,  
 24 book, issue, modify, terminate processes.  
 25 Q. And here we're talking about CSI

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1 Express?  
 2 A. Here specifically we're discussing CSI  
 3 Express, yes.  
 4 Q. And as we've established, Blaze is one  
 5 small part of CSI Express?  
 6 A. As long as you and I agree that your  
 7 measurement is footprint, yes. If you and I are  
 8 discussing functional value, no. You choose. Not  
 9 meaning to be disrespectful, it's got to be one or  
 10 the other.  
 11 Q. Do you know what the other components  
 12 of CSI Express are?  
 13 A. There are artifacts that articulate  
 14 the various and sundry components. I assure you I  
 15 spent less than one second reviewing those.  
 16 Q. How can you have an opinion as to  
 17 Blaze's contribution to speed, ease of doing  
 18 business or adequacy of price if you do not know  
 19 what the other components of the complex application  
 20 it resides in -- namely, CSI Express -- are?  
 21 A. CSI Express is a policy administration  
 22 system. It quotes. But going to inside of CSI  
 23 Express, specifically Decision Point as -- just as  
 24 one example, CSI Express Decision Point won't quote  
 25 if it doesn't meet the definition of the rules, the

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1 risk attribute.  
 2 That's why insurance companies have  
 3 rules, to frame for their distribution system -- in  
 4 this case independent agents and brokers -- the  
 5 definition of their risk appetite. I've been working  
 6 with underwriting insurance rules and the use of  
 7 technology to make those processes better for the  
 8 brokers and agents for a really long time.  
 9 Q. You have never worked with a policy  
 10 administration that utilizes a rules management  
 11 software, correct?  
 12 A. Correct.  
 13 Q. The value that you've articulated as  
 14 speed, ease of doing business, and adequacy of  
 15 price, would you characterize those as efficiencies?  
 16 A. No. Again, it's Rubik's Cube.  
 17 There's written premium impact, there's loss cost  
 18 impact, and there is expense impact across the use  
 19 of a system like this.  
 20 Q. Can you quantify --  
 21 A. I was never asked to quantify anything.  
 22 Q. So you cannot quantify any contribution  
 23 that Blaze has on any of the factors you just listed?  
 24 A. That is correct. I was not asked to  
 25 quantify anything. It's out of the scope of my

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1 **agreement and arrangement.**  
 2 MS. JANUS: All right. Let's take a  
 3 short break.  
 4 THE WITNESS: Sure. My blad --  
 5 THE VIDEOGRAPHER: Going off the  
 6 record. The time is 11:39 a.m.  
 7 (Break from 11:39 to 12:30.)  
 8 THE VIDEOGRAPHER: We're back on the  
 9 record. The time is 12:30 p.m.  
 10 THE WITNESS: [Witness coughing] Pardon  
 11 me.  
 12 BY MS. JANUS:  
 13 Q. All right. Mr. Whitener (phonetic  
 14 Wit-ner), you understand you're still under oath?  
 15 **A. I do.**  
 16 **Would you please use Whitener**  
 17 **(phonetic White-ner)?**  
 18 Q. Oh, sure.  
 19 **A. You'll get a better response from --**  
 20 Q. My apologies.  
 21 **A. No, no, no worries. I can't tell you**  
 22 **how many times I've made that statement in the years.**  
 23 Q. If you could turn to your report,  
 24 let's start on page 4 of Exhibit 513. And this  
 25 section of the report is entitled FICO's Blaze

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1 Advisor® Decision Management Software, correct?  
 2 **A. Yeah, section IV.**  
 3 Q. How would you characterize the facts  
 4 and data that you relied upon in forming the  
 5 conclusions you've reached in section IV of your  
 6 report?  
 7 **A. I would characterize them as my**  
 8 **fundamental belief based on noted artifacts, based**  
 9 **on a functional analysis of the software that shows**  
 10 **that Blaze Advisor contributes to the automate --**  
 11 **automated decisioning of Federal's business units,**  
 12 **wherein it is deployed, it's not deployed in all**  
 13 **the business units, and that Blaze Advisor is**  
 14 **highly regarded by the industry analyst community,**  
 15 **and I note that through the quoting of a Forrester**  
 16 **group, Research group's document, where they**  
 17 **analyzed the functionality and the future vision of**  
 18 **various and sundry decision management systems.**  
 19 Q. And you mentioned a functional  
 20 analysis of the software. Are you referring to  
 21 Chubb's software -- Federal's software, I should  
 22 say?  
 23 **A. No. In this section I am referring to**  
 24 **the Blaze Advisor decision software.**  
 25 Q. And that is a software that you have

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1 never used, correct?  
 2 **A. That is correct.**  
 3 Q. And that's a software that you had  
 4 never seen demonstrated until yesterday, correct?  
 5 **A. Also correct.**  
 6 (Whereupon, Deposition Exhibit No. 515  
 7 was marked for identification, and a copy is  
 8 attached and hereby made a part of this deposition.)  
 9 BY MS. JANUS:  
 10 Q. Showing you what's been marked as  
 11 Exhibit 515 --  
 12 MR. HINDERAKER: Thank you.  
 13 BY MS. JANUS:  
 14 Q. -- this is the document that you  
 15 reference in footnote 1 of your report?  
 16 **A. May -- may I have a moment, please?**  
 17 Q. Oh, sure.  
 18 **A. Thank you, thank you. Ah,**  
 19 **double-sided.**  
 20 Q. And, Mr. Whitener, the question before  
 21 you is, could you confirm that this is the document  
 22 that you've cited in footnote 1 of your report?  
 23 And that's on page 4 of your report.  
 24 **A. Coming. It is.**  
 25 Q. Okay. And --

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1 **A. Well, let me rephrase that. This --**  
 2 **this is -- this footnote does, in fact, relate to**  
 3 **the quote -- to a quote that is documented here.**  
 4 **There are multiple artifacts that this quote is in.**  
 5 **This is the one I choose for -- choose to use for**  
 6 **the footnote in the report.**  
 7 Q. Sure. Okay. As authority for the  
 8 point you're making in paragraph 21, correct?  
 9 **A. Yes.**  
 10 Q. Okay. And Exhibit 515 is a FICO  
 11 document, correct?  
 12 **A. Interestingly, its front name on the**  
 13 **document is Henry Miroluz, a Chubb employee. The**  
 14 **presentation is a FICO™ Forum: Decision Management**  
 15 **Tools User Group, and both companies' logos are on**  
 16 **the document. To the extent that each of those**  
 17 **entities contributed to this, I cannot speak.**  
 18 Q. Okay. So you don't know who as  
 19 between FICO and Federal authored what in this  
 20 document, correct?  
 21 **A. That is correct.**  
 22 Q. Take a look at the page marked 57211?  
 23 **A. I'm there.**  
 24 Q. This has a list of Lessons Learned,  
 25 correct?

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1 **A. That is the title of the specific**  
2 **page.**  
3 Q. Did you take the Lessons Learned page  
4 into account in forming your opinions in this  
5 matter?  
6 **A. I read this document. I noted that**  
7 **Lessons Learned reflected two things, that Chubb**  
8 **had a solid -- Federal, I'm sorry, had a solid**  
9 **process in postmortem review of their implementation**  
10 **efforts, and I -- and I noted the items indicated**  
11 **that the -- because they were doing a postmortem,**  
12 **the implementation could have gone, in their**  
13 **opinion, possibly more effectively, efficiently.**  
14 **Again, Dr. Covey's two parameters.**  
15 Q. There were problems with the  
16 implementation of Blaze at Federal?  
17 **A. I can't say that. This is a Lessons**  
18 **Learned. You could have the best implementation in**  
19 **the world and still do a Lessons Learned.**  
20 Q. The second bullet point in Lessons  
21 Learned is "Need to establish the rule harvesting  
22 procedures for BAs." Do you see that?  
23 **A. I do.**  
24 Q. Do you know what is meant by BAs?  
25 **A. I can speculate that it means business**

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1 **analysts. That certainly is the preponderance of**  
2 **the use of capital B, capital A that I've used in**  
3 **my career.**  
4 Q. And rules harvesting is the process of  
5 identifying the defined rules, as you referred to  
6 earlier in the day, correct?  
7 **A. I believe rule harvesting meant**  
8 **going -- or, I'm sorry, means, as respects this**  
9 **document, going to multiple sources to insure that**  
10 **as they begin to put those rules into Blaze Advisor**  
11 **they're going to multiple sources to make sure that**  
12 **they have as many of the rules as they can identify.**  
13 Q. So it's a process of identifying the  
14 defined rules of Federal, correct?  
15 **A. Yes.**  
16 Q. And that's a crucial part of the  
17 process of having a successful implementation of  
18 Blaze, correct?  
19 **A. Yes.**  
20 Q. In fact, if you implement Blaze and  
21 you don't have good rules, the result will be  
22 negative --  
23 MR. HINDERAKER: Asked and answered.  
24 BY MS. JANUS:  
25 Q. -- for a company, correct?

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1 MR. HINDERAKER: Asked and answered.  
2 THE WITNESS: If you implement rules  
3 in Blaze and the quoting -- or, I'm sorry, the  
4 coding or the building of the rules, coding in  
5 Cobalt, building in new technology, is in some way  
6 flawed, or if the rule is in some way flawed and  
7 the testing process of expected outcomes doesn't  
8 produce -- doesn't catch that, you will produce an  
9 undesired result.  
10 BY MS. JANUS:  
11 Q. The only way Blaze is useful to an  
12 insurance company is if the rules that are in Blaze  
13 are the right rules, correct?  
14 **A. Again, referring to my reference to**  
15 **the Rubik's Cube, there are multiple things that**  
16 **impact and influence the P&L of an in -- of a**  
17 **property and casualty insurance company, and so if**  
18 **the rules are not correct, then, a less than**  
19 **desirable P&L cause -- I'm sorry, effect will come**  
20 **out of that.**  
21 Q. Right, and I want this to be as  
22 efficient as we can have it today. So I'd ask that  
23 you listen to the question and answer it.  
24 My question was, the only way that  
25 Blaze is useful to an insurance company is if the

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1 rules that are in Blaze are the right rules, you  
2 would agree with that, correct?  
3 MR. HINDERAKER: Objection, asked and  
4 answered.  
5 THE WITNESS: I agree that it is  
6 important that the rules be correct. I agree that  
7 the overall contribution to the touchpoints we've  
8 discussed earlier will not be as good if the rules  
9 are incorrect.  
10 BY MS. JANUS:  
11 Q. Right, but my question -- I'm entitled  
12 to a yes or no answer to my question. My question  
13 is, the only -- the only way Blaze could ever have  
14 value to an insurance company is if the rules that  
15 are in Blaze are the right rules?  
16 MR. HINDERAKER: I'm going to lodge my  
17 objection. Counsel is not entitled to a yes or no  
18 answer if a yes or no answer is not the witness's  
19 truthful testimony.  
20 MS. JANUS: Please stop coaching the  
21 witness.  
22 MR. HINDERAKER: I don't think I did.  
23 And if you wish to maintain your position that no  
24 answer except a yes or no answer is an acceptable  
25 one, you're free to do that, and I'm free to lodge

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<p>1 the fact that we're here to give truthful testimony.</p> <p>2 BY MS. JANUS:</p> <p>3 Q. You can answer my question. Is that</p> <p>4 correct?</p> <p>5 A. In a isolated view of the complex</p> <p>6 Rubik's Cube of insurance, yes, but it is an</p> <p>7 isolated view.</p> <p>8 Q. The next bullet point is that training</p> <p>9 is required for a developer to become familiar with</p> <p>10 new technology, correct?</p> <p>11 A. It is.</p> <p>12 Q. The next bullet point is --</p> <p>13 A. Pardon me.</p> <p>14 Q. "-- Lack of established design best</p> <p>15 practices and standards which complicates design of</p> <p>16 BR projects and prevents from utilizing full</p> <p>17 potential of Blaze Advisor rule engine." Is BR</p> <p>18 business rules?</p> <p>19 A. I -- I suspect so. Artifacts have</p> <p>20 that BR associated with the definition of business</p> <p>21 rules.</p> <p>22 Q. So does it appear to you that a lack</p> <p>23 of established design best practices and standards</p> <p>24 can prevent the utilization of the full potential</p> <p>25 of the Blaze Advisor rule engine?</p> <p>Page 111</p>	<p>1 Q. So, at this point in time, there was</p> <p>2 an identification that there was no knowledge</p> <p>3 sharing between strategic business units, correct?</p> <p>4 A. That is correct.</p> <p>5 Q. Take a look at the page marked 57213,</p> <p>6 please?</p> <p>7 A. I am there.</p> <p>8 Q. Well, actually, I'm sorry.</p> <p>9 A. That's okay.</p> <p>10 Q. 57212 first.</p> <p>11 A. Okay.</p> <p>12 Q. So --</p> <p>13 A. Got it, I'm there.</p> <p>14 Q. So the second quote is -- states, "To</p> <p>15 achieve corporate consistency and have any tool</p> <p>16 become a corporate asset, you need a central area</p> <p>17 to help manage that we 'stay the course'," correct?</p> <p>18 A. It does state that, yes.</p> <p>19 Q. It goes on to state on the third</p> <p>20 quote, "Without a Rules COE we will not efficiently</p> <p>21 leverage the learnings across multiple rules</p> <p>22 implementations thereby increasing costs, gain the</p> <p>23 benefits of rule reuse, and potentially not meet</p> <p>24 Architecture and business objectives," correct?</p> <p>25 A. The document does state that.</p> <p>Page 113</p>
<p>1 MR. HINDERAKER: Object to the</p> <p>2 question to the extent it misstates the document.</p> <p>3 THE WITNESS: I agree that</p> <p>4 implementations of any technology inside of an</p> <p>5 insurance company are more efficient and effective</p> <p>6 if before the implementation starts best practices</p> <p>7 for the implementation have been defined. So, to</p> <p>8 that extent, I would say yes.</p> <p>9 BY MS. JANUS:</p> <p>10 Q. They identify that the testing stat --</p> <p>11 strategy needs to be changed, correct?</p> <p>12 A. That is stated in the document.</p> <p>13 Q. That the new environment configuration</p> <p>14 was required to host the rule engine, correct?</p> <p>15 A. It does state that, yes.</p> <p>16 Q. And that there's "Scattered</p> <p>17 knowledge - no knowledge sharing between SBUs,"</p> <p>18 correct?</p> <p>19 A. It does state that, yes.</p> <p>20 Q. And that's -- what do you understand</p> <p>21 SBUs to stand for?</p> <p>22 A. In several of the artifacts, Chubb</p> <p>23 refers to its SBUs as strategic business units, and</p> <p>24 it identifies them as Chubb Specialty, Chubb</p> <p>25 Commercial, and Chubb Personal Lines.</p> <p>Page 112</p>	<p>1 Q. So there's discussion of the use of</p> <p>2 Blaze not meeting business objectives, correct?</p> <p>3 A. I disagree with that. This is -- this</p> <p>4 is a statement that in the implementation process</p> <p>5 there are things that they can do better from a</p> <p>6 project management perspective. I'm not sure those</p> <p>7 things point to anything relative to the functional</p> <p>8 value of Blaze.</p> <p>9 My experience would tell me that every</p> <p>10 insurance company -- and this is one of the things</p> <p>11 that Mr. McCarter and I agree on. Every insurance</p> <p>12 company, technology is not their core competency.</p> <p>13 So when they deploy new technology, regardless of</p> <p>14 that new technology there can be bumps in the road</p> <p>15 and there is learning to be done from that. But it</p> <p>16 relates not to the value of the software, it</p> <p>17 relates to the efficiency and effectiveness of the</p> <p>18 implementation process.</p> <p>19 Q. And you just don't know in this case</p> <p>20 whether --</p> <p>21 THE WITNESS: I'm sorry, pardon me.</p> <p>22 Thank you.</p> <p>23 MR. HINDERAKER: Sure.</p> <p>24 BY MS. JANUS:</p> <p>25 Q. Whether there was a concern that the</p> <p>Page 114</p>

1 implementation of Blaze was not meeting business  
2 objectives, correct?  
3 **A. I -- I cannot make that assessment**  
4 **based on artifacts.**  
5 (Reporter's Note: Mr. Hinderaker is  
6 getting the witness another glass of water.)  
7 THE WITNESS: Thank you, Allen.  
8 MR. HINDERAKER: Uh-huh, you're  
9 welcome.  
10 BY MS. JANUS:  
11 Q. In paragraph 22, you state that "Blaze  
12 Advisor provides companies across industries with a  
13 scalable solution that delivers unprecedented  
14 agility and actionability for smarter business  
15 decisions," right?  
16 **A. I do.**  
17 Q. And that's based on a FICO press  
18 release, correct?  
19 **A. It is based on FICO documentation. I**  
20 **do not recall whether it was a press release.**  
21 Q. And you found it at the FICO website,  
22 correct?  
23 **A. Um, yes.**  
24 Q. That's a statement that's not based on  
25 your experience but on the information FICO publishes

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1 about its products, correct?  
2 **A. In isolation, yes.**  
3 (Whereupon, Deposition Exhibit No. 516  
4 was marked for identification, and a copy is  
5 attached and hereby made a part of this deposition.)  
6 BY MS. JANUS:  
7 Q. Showing you what's been marked as  
8 Exhibit 516 --  
9 **A. Sorry. Thank you.**  
10 Q. -- you cite to -- well, take a look at  
11 516, and my preliminary question for you is, is  
12 this the document that you cite to in paragraphs --  
13 or, I'm sorry, in footnotes 4 and 5?  
14 Can you identify it from the Bates  
15 label on the first page?  
16 **A. I agree that the Bates label is the**  
17 **Bates label used in the footnote.**  
18 Q. Okay. And you cite to this document  
19 as support for the statement that "Blaze Advisor  
20 improves, automates, and connects organizational  
21 decisions to enhance business performance through  
22 the application of key technologies," correct? And  
23 that's, I'm sorry --  
24 **A. Is that number --**  
25 Q. -- the first sentence of 23.

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1 **A. Okay, agreed.**  
2 Q. If you take a look at the page you  
3 cite to, which is 270-0012?  
4 **A. 0012 is just simply a -- an overview,**  
5 **maybe it's 112. It's 112, I believe. What**  
6 **footnote is that, 5? Yeah.**  
7 Q. It should be 270-0012.  
8 **A. I'm sorry, I thought you said 0002.**  
9 **Yes. Now I'm comfortable.**  
10 Q. Okay. And this is a FICO-generated  
11 slide of a PowerPoint presentation, correct?  
12 **A. I believe that is correct. I cannot**  
13 **say definitively that that is correct.**  
14 Q. In fact, it's branded with FICO, and,  
15 then, at the top it says FICO's Point of View,  
16 correct?  
17 **A. Correct.**  
18 Q. And so this FICO-generated PowerPoint  
19 slide is what you are relying upon for this  
20 statement that I read in the first paragraph of 23?  
21 **A. Correct.**  
22 MR. HINDERAKER: You meant first  
23 sentence of 23.  
24 MS. JANUS: Thank you.  
25 BY MS. JANUS:

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1 Q. Likewise, for the second sentence of  
2 23, correct?  
3 **A. Correct.**  
4 (Whereupon, Deposition Exhibit No. 517  
5 was marked for identification, and a copy is  
6 attached and hereby made a part of this deposition.)  
7 BY MS. JANUS:  
8 Q. Paragraph 24, you rely on the document  
9 that I've just marked as Exhibit 517, correct?  
10 **A. Only in part.**  
11 Q. What else do you rely upon for  
12 paragraph 24?  
13 **A. My experience in managing the product**  
14 **management functions of insurance companies, my**  
15 **experience working and interfacing with the**  
16 **actuarial department of insurance companies. The**  
17 **statement dava "-- Data-driven analysis is applied**  
18 **to insurance processes such as underwriting, claims**  
19 **adjudication, and renewals" does not have a**  
20 **footnote to it.**  
21 Q. Okay. So that's based on your  
22 experience?  
23 **A. Correct.**  
24 Q. Okay. And then you say, "Decision  
25 Management software such as Blaze Advisor automate,

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1 improve, and connect decisions across an enterprise  
2 enabling better decisions," correct?  
3 **A. I do say that, yes.**  
4 **Q. And you --**  
5 **A. And I foot -- and I footnote that to**  
6 **this document.**  
7 **Q. Okay. Because you have never worked**  
8 **with decision management software, correct?**  
9 **A. Correct. I have worked with rules,**  
10 **underwriting guidelines, underwriting criteria, but**  
11 **not specifically business management software.**  
12 **Q. And the document that you -- that you**  
13 **cite to, which is marked as Exhibit 517, is a**  
14 **general document relating to decision management,**  
15 **correct?**  
16 **A. I'm not sure I can say that**  
17 **specifically. The document is a Chubb enterprise**  
18 **piece describing why decision management is**  
19 **important to the desired future plans and the**  
20 **implementation of those plans inside of Defendant.**  
21 **Q. Does the document specifically relate**  
22 **to Blaze?**  
23 **A. Uh, yes, I believe so. If you -- if**  
24 **you look at 0011, I recognize many of these**  
25 **projects as having Blaze functionality with them.**

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1 **Q. Okay. But there's no specific**  
2 **reference to Blaze in the document?**  
3 **A. There is, in fact, no specific**  
4 **reference to Blaze as a software in the document**  
5 **that I recall. Let me finish looking at the**  
6 **document.**  
7 **The last page has a specific reference**  
8 **to Blaze, page -- page 0015.**  
9 **Q. Okay. If you look at page 275-0004?**  
10 **A. I am there.**  
11 **Q. This is talking about what decision**  
12 **management is, correct?**  
13 **A. Yes.**  
14 **Q. And the second bullet point under What**  
15 **is it states, "Approach -- not necessarily only**  
16 **technology, approach encapsulates processes,**  
17 **methodology and internal capabilities," correct?**  
18 **A. It does state that, yes.**  
19 **Q. So decision management, according to**  
20 **this document that you're relying upon, is not**  
21 **simply about Blaze, according to the document,**  
22 **correct?**  
23 **A. I disagree with that.**  
24 **Q. The document states that it's not**  
25 **necessarily only technology, correct?**

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1 **A. Yes, but if I can give an example.**  
2 **One of the deployments of Blaze was -- the acronym**  
3 **is ARP, automated renewal processing. That's a**  
4 **process. It is a use of technology to execute a**  
5 **process involving rules so that identified past the**  
6 **rules renewals do not have to be touched by human**  
7 **hands.**  
8 **I have no reason to believe that this**  
9 **document wasn't created because the Defendant had**  
10 **acquired, licensed a software, and was now trying**  
11 **to get the organization to understand the overall**  
12 **power of the software.**  
13 **Q. Well, my question is that according to**  
14 **the document itself, decision management is defined**  
15 **as not simply technology, correct?**  
16 **A. Yes.**  
17 **Q. Okay. Take a look at the Reasons for**  
18 **Adoption page, which is the next page?**  
19 **A. I'm there.**  
20 **Q. This is the reasons for adoption of**  
21 **decision management, correct?**  
22 **A. I believe so.**  
23 **Q. And nowhere in the reasons for**  
24 **adoption is there a statement that the revenue of**  
25 **the company will increase, correct?**

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1 **A. That is correct. It is not**  
2 **specifically stated.**  
3 **Q. Nowhere in the document under Reasons**  
4 **for Adoption is there a statement that the profits**  
5 **of the company will increase, correct?**  
6 **A. Again, correct. I simply point out**  
7 **that this is -- if you go to the opening slide,**  
8 **0001 --**  
9 **Q. You've answered my question.**  
10 **MR. HINDERAKER: You may finish your**  
11 **answer.**  
12 **THE WITNESS: Thank you.**  
13 **This is a presentation relative to**  
14 **enterprise architecture. I would not expect those**  
15 **kind of statements to be in the enterprise**  
16 **architecture. This is relating to deploying the**  
17 **Blaze Advisor software inside of the various**  
18 **servers, systems, databases, et cetera, et cetera,**  
19 **for the client.**  
20 **BY MS. JANUS:**  
21 **Q. You've answered the question. Thank**  
22 **you.**  
23 **You wouldn't expect those types of**  
24 **issues to be mentioned in a document like this,**  
25 **because the use of the software was not measured in**

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1 consistency and greater agility as efficiencies?  
2 MR. HINDERAKER: Objection, asked and  
3 answered.  
4 THE WITNESS: The document does state  
5 that those things come from the efficiency of  
6 automation.  
7 BY MS. JANUS:  
8 Q. Is it fair to say that the -- in your  
9 opinion, the value that Blaze provides to a company  
10 is realized through efficiencies?  
11 **A. Absolutely not.**  
12 Q. Well, the values that you've  
13 identified here you are referring to as efficiencies,  
14 correct?  
15 **A. Automation makes speed improve.**  
16 **Improved speed increases the probability that you**  
17 **will have opportunities to quote, that you will**  
18 **convert quotes, and that you will then execute the**  
19 **book -- the bind and the book and the issue part of**  
20 **the process. Increased precision and consistency**  
21 **insures, a) that you eliminate variability from the**  
22 **decisions, the judgment in underwriters, and**  
23 **increased precision improves the probability that**  
24 **your adequate accurate premium is sellable in the**  
25 **marketplace.**

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1 **Does automation help accomplish all of**  
2 **those things? Yes, but the result -- that's a --**  
3 **that's a -- that's a cause. I look at cause and**  
4 **effect. That's a cause. The effect is higher**  
5 **quote volume, more converted quotes, better price**  
6 **point.**  
7 Q. Through efficiencies?  
8 **A. Through deployment of automation.**  
9 Q. Which you've said here is an  
10 efficiency, correct, in paragraph 29?  
11 MR. HINDERAKER: Objection, takes  
12 the -- takes the paragraph out of context.  
13 THE WITNESS: Do I have that artifact  
14 in front of me?  
15 BY MS. JANUS:  
16 Q. Yes. It's Exhibit 516.  
17 **A. Thank you. Ah, excellent. Thank you.**  
18 Q. So if you look at the site that you  
19 use in that for that sentence, which is in  
20 paragraph 516270-0012, this is, again, the FICO  
21 PowerPoint that -- slide that we've referred to  
22 earlier, correct?  
23 **A. 270 is that is correct.**  
24 Q. Okay. And this slide doesn't mention  
25 the word efficiencies, correct?

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1 **A. I believe not. I can go back and**  
2 **check very rapidly.**  
3 Q. That's your word?  
4 **A. I'm sorry?**  
5 Q. That's your word, efficiencies?  
6 **A. I chose to write that, yes.**  
7 Q. Okay.  
8 **A. Twelve.**  
9 Q. All right. The next sentence of  
10 paragraph 29 says the "Use of Blaze Advisor enables  
11 an insurance company to increase the volume and  
12 accuracy of transactions in an efficient manner,"  
13 correct?  
14 **A. It does.**  
15 Q. Again, you're referring to the  
16 efficiencies that you opine are gained from using  
17 Blaze Advisor, correct?  
18 MR. HINDERAKER: Objection,  
19 misstatement.  
20 THE WITNESS: In isolation, that  
21 sentence does, in fact, reference efficiency.  
22 Efficiency is one of the three components that I  
23 articulate in my report.  
24 BY MS. JANUS:  
25 Q. Efficiency is the -- in your opinion,

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1 the value that Blaze offers to Federal, correct?  
2 **A. Incorrect.**  
3 Q. But you believe it is one of the  
4 aspects of value offered?  
5 **A. I offer three values in my report.**  
6 **One is to revenue, one is to cost of raw materials,**  
7 **one is to expense. Efficiency does, in fact,**  
8 **impact expense.**  
9 Q. Okay.  
10 **A. But that is one of three values I**  
11 **articulate.**  
12 Q. All right. So you -- In the next  
13 sentence of paragraph 29 you state, "Blaze Advisor  
14 contributes to the increase in volume and accuracy  
15 of transactions, which in turn contributes to Chubb  
16 revenue," correct?  
17 **A. I do state that, yes.**  
18 Q. All right. So that's the revenue  
19 component of your conclusion?  
20 **A. In isolation on that page, yes. In**  
21 **isolation in that sentence, yes. That is the**  
22 **beginning of my -- beginning is probably the wrong**  
23 **word. That is a contribution to my argument that**  
24 **Blaze Advisor improves the quote, bind, book, issue**  
25 **process speed, which influences revenue.**

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1 Q. Okay. And so let's talk about the  
 2 speed. So your first bullet point is "Increasing  
 3 speed of response to quote requests," correct?  
 4 **A. That is correct.**  
 5 Q. How did you conclude that Federal  
 6 increased the speed of response to quote requests?  
 7 **A. I did not conclude that Federal**  
 8 **increased that. I concluded that inside of the**  
 9 **approximately 1,000 insurance companies that**  
 10 **transact property casualty business, they are all**  
 11 **looking to do things faster, and it's widely**  
 12 **recognized that responding to quotes faster**  
 13 **increases quote conversion.**  
 14 Q. Okay. Do you know whether Blaze  
 15 increased the speed of response to quote requests  
 16 in Federal?  
 17 **A. I performed no quantitative analysis**  
 18 **in this process, no. I do not know.**  
 19 Q. The next bullet point is "Increasing"  
 20 the "speed of making renewal offers," correct?  
 21 **A. Correct.**  
 22 Q. How did you conclude -- or I'm -- Did  
 23 you conclude that Federal increased the speed of  
 24 making renewal offers because of its use of Blaze?  
 25 **A. I did no qualitative research or**

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1 **definition inside of my report.**  
 2 MR. HINDERAKER: Did you mean  
 3 quantitative or qualitative?  
 4 THE WITNESS: I'm sorry. Quali --  
 5 quanti -- I didn't -- I did zero quantitative  
 6 research. I -- I didn't have any numbers.  
 7 BY MS. JANUS:  
 8 Q. So you just don't know whether Federal  
 9 increased the speed of making renewal offers  
 10 because of its use of Blaze, correct?  
 11 **A. That is correct.**  
 12 Q. The next bullet is "Increasing" the  
 13 "speed at which new products can be introduced, due  
 14 to Blaze Advisor's agility," correct?  
 15 **A. Correct.**  
 16 Q. Same question. I take it you do not  
 17 know whether Federal increased the speed at which  
 18 new products were introduced due to Blaze Advisor,  
 19 correct?  
 20 **A. Correct, with the caveat of there is**  
 21 **one artifact, there is one point made in multiple**  
 22 **artifacts that they improved the speed of**  
 23 **implementing rules, either new rules or modifications**  
 24 **to existing rules, from three to six months to two**  
 25 **to three days.**

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1 Q. Okay. But you don't know whether  
 2 there was an actual increase in speed at Federal in  
 3 which new products were introduced to the market,  
 4 correct?  
 5 **A. Correct, within the caveat of the**  
 6 **artifacts do state -- and today, in this specific**  
 7 **instance, I'm thinking about the premium**  
 8 **modernization project, that they were able to**  
 9 **acquire a, I believe, \$20 million book of business**  
 10 **through the acquisition process from Star Aviation,**  
 11 **and they needed Blaze Advisor execution of the**  
 12 **premium modernization product to be able to book**  
 13 **that premium.**  
 14 Q. Premium -- premium modernization  
 15 product?  
 16 **A. Yes. It's one of the non-policy admin**  
 17 **deployments of Blaze Advisor inside of defendant.**  
 18 Q. And this is a document that you cite  
 19 in support of your conclusion that there's  
 20 increasing speed?  
 21 **A. I can't speak to that. I -- I would**  
 22 **have to go back and check the documents.**  
 23 Q. Is it fair to say that you simply  
 24 don't know whether there was increased speed at  
 25 Federal in which new products were introduced due

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1 to Blaze Advisor?  
 2 **A. It is fair to say that I don't**  
 3 **remember the number of the artifacts. So I can't**  
 4 **tell you where the cit -- whether the citations are**  
 5 **related to that or something else.**  
 6 Q. So you just don't know?  
 7 **A. Correct.**  
 8 Q. The next bullet is "Increasing speed  
 9 at which product changes involving product and  
 10 underwriting rules can be implemented, due to Blaze  
 11 Advisor's agility," correct?  
 12 **A. Correct.**  
 13 Q. Is it true that you do not know  
 14 whether Federal increased the speed at which  
 15 product changes involving product underwriting  
 16 rules can be implemented due to Blaze Advisor's  
 17 agility?  
 18 **A. I made no quantitative analysis in any**  
 19 **of the deployments. There are artifacts that refer**  
 20 **to writing rules faster and implementing regulatory**  
 21 **changes in less time period.**  
 22 Q. But you do not know whether Federal  
 23 actually increased the speed at which product  
 24 changes involving product and underwriting rules  
 25 were implemented?

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1 **A. Agree.**  
2 Q. The next bullet is "Increasing" the  
3 "speed to market by ensuring compliance with  
4 corporate and statutory reporting requirements,"  
5 correct?  
6 **A. That is correct.**  
7 Q. Is it true that you do not know  
8 whether Federal increased its speed to market by  
9 ensuring compliance with corporate and statutory  
10 reporting requirements?  
11 **A. Yes.**  
12 Q. The next bullet is "Increasing the  
13 precision and accuracy of a quote, thereby  
14 increasing the" profitability of the quote offer  
15 will be --  
16 **A. Probability.**  
17 Q. I'm sorry. Thank you. "...the  
18 probability the quote offer will be accepted"?  
19 **A. Agree.**  
20 Q. And is it true that you do not know  
21 whether Federal increased the precision and  
22 accuracy of its quotes, thereby increasing the  
23 probability of the quote offer was accepted?  
24 **A. Yes.**  
25 Q. The next bullet is "Increasing the

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1 precision and adequacy of a renewal offer, thereby  
2 increasing the probability" that "the renewal...will  
3 be accepted," correct?  
4 **A. Correct.**  
5 Q. Is it true that you do not know  
6 whether Federal increased the precision and  
7 accurate -- adequacy of renewal offers, thereby  
8 increasing the probability the renewal offers would  
9 be accepted?  
10 **A. I prefer the statement I do not have**  
11 **any quantitative information that Federal did or**  
12 **did not increase the stated attributes.**  
13 Q. Okay.  
14 **A. So --**  
15 Q. But -- and so I guess --  
16 **A. So -- so I think the answer to your**  
17 **question is yes.**  
18 Q. Okay. You do not know?  
19 **A. I do not know.**  
20 Q. The next bullet in "Increasing the  
21 ease of use for agents and brokers," and then you  
22 list three ways in which the ease of use for agents  
23 and brokers is increased, correct?  
24 **A. I do.**  
25 Q. And is it correct to say that you do

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1 not know whether Federal increased the ease of use  
2 for agents and brokers by way of those three bullet  
3 points underneath?  
4 **A. You are correct.**  
5 MR. HINDERAKER: Are you done with  
6 this -- are you done with this line?  
7 MS. JANUS: Sure.  
8 MR. HINDERAKER: I mean, I don't  
9 want --  
10 MS. JANUS: Yeah, no.  
11 MR. HINDERAKER: I don't want to take  
12 a break if you're in the midst of --  
13 MS. JANUS: A break is fine.  
14 THE VIDEOGRAPHER: Going off the  
15 record. The time is 1:28 p.m.  
16 (Break from 1:28 to 1:37.)  
17 THE VIDEOGRAPHER: We're back on the  
18 record. The time is 1:37 p.m.  
19 BY MS. JANUS:  
20 Q. Moving on in your report to page 13.  
21 **A. I'm there.**  
22 (Whereupon, Deposition Exhibit No. 519  
23 was marked for identification, and a copy is  
24 attached and hereby made a part of this deposition.)  
25 BY MS. JANUS:

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1 Q. Showing you what's been marked as  
2 Exhibit 519, this is the document that you rely  
3 upon for your conclusions in paragraph 30 of the  
4 report, correct?  
5 **A. Yes.**  
6 Q. And this appears to be a draft of a  
7 request -- RFI, correct, request for information?  
8 **A. Yes, although Chubb & Sons mixes their**  
9 **nomenclature. They -- they refer to it both as an**  
10 **RFP, a request for proposal, and an RFI, request**  
11 **for information.**  
12 Q. Okay.  
13 **A. But the fundamental answer is yes.**  
14 Q. Okay. So this is the document that  
15 you've relied upon for your conclusion in  
16 paragraph 30, correct?  
17 **A. Correct.**  
18 Q. Do you know whether this is the final  
19 RFI?  
20 **A. I do not. I know that this is the**  
21 **artifact that I was provided.**  
22 Q. Fair to say that the statements in the  
23 RFI are forward-looking?  
24 **A. Fair to say that the statements in the**  
25 **RFI are forward-looking in that Chubb & Sons offer**

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1 of the RFI were looking to increase their  
 2 functionality relative to the points in the RFI.  
 3 Q. It was an aspirational document?  
 4 A. I'm uncomfortable with the word  
 5 aspirational. Is a we're going to make a decision,  
 6 give me information so we can decide whether to  
 7 include you in the decision analysis or not.  
 8 Q. The document is not specific to Blaze,  
 9 correct?  
 10 A. That is correct, from the perspective  
 11 of they would have sent this document to multiple --  
 12 pardon me, excuse me, multiple software providers  
 13 requesting those software providers provide them  
 14 information that they would take through a decision  
 15 management process to say I -- I -- I want to talk  
 16 to these people, that people. It's that kind of  
 17 document. It's not specific to Blaze, it's specific  
 18 to the decision about what software are we going to  
 19 license.  
 20 Q. In paragraph 31 --  
 21 A. My document?  
 22 Q. Yes.  
 23 A. Okay.  
 24 Q. Of your report.  
 25 A. Thank you.

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1 Q. You -- the last sentence states,  
 2 "Chubb needed automated decision management software  
 3 that would allow Chubb to scale its business so it  
 4 could take on...new revenue streams," correct?  
 5 A. Correct.  
 6 Q. And you cite to the deposition of  
 7 Mr. Wachs, correct?  
 8 A. That is correct.  
 9 Q. And Mr. Wachs was a FICO employee,  
 10 correct?  
 11 A. Correct.  
 12 Q. Mr. Wachs was employed at FICO through  
 13 the end of 2008, correct?  
 14 A. I cannot speak to that.  
 15 Q. Okay. You don't recall his deposition  
 16 testimony about the length of his employment at  
 17 FICO?  
 18 A. No.  
 19 Q. And you also cite to the document  
 20 we've marked as Exhibit 516, correct?  
 21 A. Six -- nineteen, sixteen, sixteen? I  
 22 do.  
 23 Q. And, again, that is you cite to  
 24 page 16 of Exhibit 516?  
 25 A. I'm sorry, page 16?

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1 Q. Correct.  
 2 A. Yes.  
 3 Q. Okay. And that's a FICO marketing  
 4 PowerPoint slide, correct?  
 5 A. Correct.  
 6 Q. You do not cite to any facts to  
 7 support the statements you make in paragraph 32 of  
 8 your report, correct?  
 9 A. I'm sorry, your question is I do not  
 10 cite to anything?  
 11 Q. Correct.  
 12 A. That is correct.  
 13 Q. The next section of your report is  
 14 Chubb's Use of Blaze Advisor Contributes to Gross  
 15 Written Premium, correct?  
 16 A. Section VII, correct.  
 17 Q. In forming any of the opinions you  
 18 reached in this case, did you conduct a comparison  
 19 between the functionalities of Blaze compared to  
 20 other competing business rules management software?  
 21 A. In the preparing of my report, I  
 22 provided a qualitative value of automated  
 23 decisions. How Blaze fit into that, I did not  
 24 quantitative research at all, and I did not look at  
 25 any other potential decision management softwares.

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1 Q. Do you know whether there are  
 2 competing decision management softwares that  
 3 Federal could have used instead of Blaze that would  
 4 provide the same functionality Blaze does?  
 5 A. I can say yes to that inside of the  
 6 caveat that the RFI I'm sure went to more than  
 7 FICO, because if it didn't there would have been no  
 8 purpose for the RFI.  
 9 Q. Okay. Other than the RFI going to  
 10 other software providers, do you have any knowledge  
 11 of the functionality that any competing rules  
 12 management softwares provide?  
 13 A. I cite to the Forrester Research  
 14 industry analysts group's new wave of  
 15 decision-making that articulates, I believe, but  
 16 won't swear to, ten different providers of decision  
 17 management software.  
 18 Q. So it's fair to say that Federal could  
 19 use another decision management software to perform  
 20 the functions that Blaze performs at this point?  
 21 A. I prefer to say that it is fair to say  
 22 that any of the software providers of decision  
 23 management software that responded to the RFI  
 24 could, in fact, have won that request for proposal,  
 25 request for information, but the fact remains FICO

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1 did. And I don't -- I only know tangentially the  
 2 name of one of the other groups, and if you ask me  
 3 to quote it, I couldn't. It's in an artifact.  
 4 But -- but at the end of the day, there were  
 5 multiple companies requested, FICO won the bid.  
 6 Excuse me.  
 7 Q. Have you used any of the applications  
 8 that Federal has that implement Blaze?  
 9 A. I have not.  
 10 Q. All right. The first application that  
 11 you discuss on page 14 is CSI Express, correct?  
 12 A. Correct.  
 13 Q. You're aware that CSI Express is a  
 14 large application within Federal, correct?  
 15 A. Correct.  
 16 Q. And --  
 17 A. With its primary responsibility being  
 18 policy administration.  
 19 Q. And Blaze is one aspect of that  
 20 application, correct?  
 21 A. Yes. Blaze is the automated  
 22 decision-making part of that application.  
 23 Q. Can you explain where in the process  
 24 of the CSI Express application Blaze is used?  
 25 A. At a 100,000-foot level, CSI Express

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1 deployment of Blaze has the definition of acceptable  
 2 and unacceptable policy risk characteristics as it  
 3 relates to appetite. In addition, CSI Express  
 4 through Blaze has a predictive analytics function  
 5 called profitability indicator, and in addition --  
 6 so -- so you've got new business and you've got  
 7 renewals. In addition, CSI Express using Blaze  
 8 Advisor is contributing to the evaluation of the  
 9 risk characteristics for upcoming potential  
 10 renewals.  
 11 Q. Do you know specifically what  
 12 functions in CSI Express Blaze performs versus  
 13 functions that other technologies and programming  
 14 performs?  
 15 A. Could you define what functions are  
 16 for me, please?  
 17 Q. My question is -- I guess you can  
 18 interpret it the way you would.  
 19 A. So, for -- so, for instance, rating is  
 20 a function, so price -- you know, three times two  
 21 is six. Okay. Blaze is looking, where deployed,  
 22 at the risk characteristics of the submitted  
 23 application. It is looking at the risk  
 24 characteristics of the renewal, it is assessing  
 25 those as it relates to what I refer to as the

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1 protection of the capital.  
 2 Q. And how do you have that understanding?  
 3 A. It's a combination of the artifacts  
 4 and years of experience. So when I refer to  
 5 capital, I'm actually talking about the accuracy  
 6 and the precision of the price.  
 7 Q. Do you have an understanding of how  
 8 CSI Express is actually used within Federal?  
 9 A. My understanding is that CSI Express  
 10 is the policy administration system. It is going  
 11 to provide the functional capability to quote a  
 12 prospective policy or to quote an upcoming renewal.  
 13 It has the ability to make the underwriting  
 14 decision on acceptability or price point. It is  
 15 used to then make an offer of re -- of binding, and  
 16 if binding, passing information into the premium  
 17 booking process to book the policy, and then  
 18 sending a communication to some kind of fulfillment  
 19 center, which will produce paper sometimes called  
 20 an insurance policy. It will also send information  
 21 to the remittance processing so that a demand for  
 22 premium can take place.  
 23 Q. Would you characterize CSI Express as  
 24 a pretty complex application?  
 25 A. I would classify every single policy

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1 administration system I've ever seen as a complex  
 2 system.  
 3 Q. Do you have an understanding of the  
 4 complexities of CSI Express?  
 5 A. Could I request that you give me  
 6 something to work with other than understanding?  
 7 Q. Just do you have any knowledge of the  
 8 complexities of CSI Express?  
 9 A. I have looked at multiple policy  
 10 administration systems for each of the market  
 11 segments I described, the commercial specialty,  
 12 commercial main street, personal lines. Have I  
 13 looked at CSI Express specifically? No. But I  
 14 will -- I will tell you that all of those systems  
 15 carry a level of complexity to them.  
 16 Q. And, again, we've said before, but  
 17 Blaze is just one small component of that complex  
 18 policy administration system, correct?  
 19 A. And I reiterate, if you are using a  
 20 denominator of number of softwares that contribute  
 21 to CSI Express, the percentage will be small, that  
 22 is articulated by Mr. McCarter's report. However,  
 23 in -- I would never in any way, shape or form  
 24 describe the role Blaze plays as small as it  
 25 relates to improving the speed, making ease of

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1 doing business, and establishing the adequate  
2 accurate price point. You can't call those in the  
3 insurance process small, because the rate, the  
4 quote, the bind, the book, and the issue processes  
5 do not work unless that's done.  
6 Q. How have you attributed speed to Blaze  
7 specifically within the complex application that is  
8 CSI Express?  
9 A. If -- I have done no level of  
10 quantitative work. So you're asking me to provide  
11 you my thoughts on did it make it better by one  
12 day, by two days, by three days? I can't provide  
13 you that. That was out of the scope of my work.  
14 Q. I take it, then, you also don't know  
15 whether Blaze specifically versus some other  
16 technology within CSI Express contributes to the  
17 speed that you've opined CSI Express delivers,  
18 correct?  
19 A. If I took the architectural footprint,  
20 which you've referenced several times, there are --  
21 pardon me -- components of the architectural process  
22 that contribute to that rate. A -- a system does  
23 two times three much faster than a human being does  
24 two times three and with an incredibly higher  
25 accuracy rate. But you -- you -- you do not --

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1 it's a Rubik's Cube, as I said earlier. You don't  
2 sit down and look at components of the software and  
3 say this component makes this happen or that happen.  
4 It performs a function.  
5 The functions that Blaze Advisor  
6 specifically -- I would say -- if I were talking  
7 about any of the ten, whose names I don't know or  
8 remember, decision management systems that Forester  
9 Research included in their report, all of those are  
10 designed to improve the quote, bind, book, issue  
11 process, which is critical to the accumulation of  
12 written premium. If you quote and don't convert --  
13 and I don't know what these numbers are, but  
14 Federal has a quote number coming in, I don't know  
15 what that number is, Federal has a quote converted  
16 to policy number, I don't know what that number is,  
17 but there is a direct link between those three  
18 items. You can talk to almost any insurance  
19 executive, I quoted Mark Watson of Argo, a couple  
20 of other people, about their view of the need to  
21 make these kind of advancements in use of  
22 technology to accelerate and execute the quote,  
23 bind, book, issue process.  
24 Q. My question was, you did not do an  
25 analysis to determine whether the speed that you

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1 attribute to CSI Express results from the fact that  
2 Blaze Advisor is in CSI Express or from other  
3 technologies and functionalities that are in CSI  
4 Express, correct?  
5 A. That is correct. I have done no --  
6 Q. You've answered the question.  
7 A. -- quanti --  
8 Q. Go ahead.  
9 MR. HINDERAKER: You may finish your  
10 answer.  
11 THE WITNESS: I have repeatedly said I  
12 did zero quantification assessment of this situation.  
13 BY MS. JANUS:  
14 Q. In fact, you do not know whether CSI  
15 Express actually increased the speed of response to  
16 requests for quote at Federal, correct?  
17 A. That is correct. That would require  
18 data.  
19 Q. In your mind, would it be even  
20 possible to measure the contribution that Blaze has  
21 to the speed that you've discussed CSI Express  
22 creating?  
23 A. Having had the privilege of giving  
24 that question zero thought, I can't answer it.  
25 That --

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1 Q. So you --  
2 A. That --  
3 Q. -- just don't --  
4 A. That requires thought.  
5 Q. So you just don't know whether it  
6 would be possible -- possible to measure that?  
7 MR. HINDERAKER: Misstates --  
8 objection, misstates the answer.  
9 BY MS. JANUS:  
10 Q. Is that correct?  
11 A. I have zero data and I have not spent  
12 one minute thinking about how I would do that.  
13 I -- I live in a world where most things are  
14 possible. The question is what does it take to get  
15 it done.  
16 (Whereupon, Deposition Exhibit No. 520  
17 was marked for identification, and a copy is  
18 attached and hereby made a part of this deposition.)  
19 BY MS. JANUS:  
20 Q. Showing you what's been marked as  
21 Exhibit 520, this is the CSI Express component view  
22 that was contained in Mr. McCarter's report.  
23 A. Yes, from Mr. McCarter's report.  
24 Q. Do you agree with me based on this  
25 component view that CSI Express is a complex

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1 application involving many technologies?  
2 **A. Yes.**  
3 Q. Do you know what all of the various  
4 components that are depicted in this chart do in  
5 CSI Express?  
6 **A. All?**  
7 Q. Yes.  
8 **A. No. Some of the -- some of their**  
9 **acronyms, I don't even know what they mean.**  
10 Q. Do you know what each of these  
11 components contributes to what you have opined are  
12 the benefits of CSI Express?  
13 **A. I'm not sure I opined that C -- that**  
14 **anything other than Blaze Advisor provided benefits**  
15 **to CIS. So as relates to this current state**  
16 **exhibit, CI -- Blaze Advisor inside of CIS Express**  
17 **contributes to the benefits I articulate, but I**  
18 **can't speak to any of the other systems.**  
19 **I can -- I can tell you generally**  
20 **speaking in the insurance industry what an under**  
21 **man -- underwriting manager workbench does, I can**  
22 **tell you what product figuration does, but I can't**  
23 **answer the specific question you're asking.**  
24 Q. Turning back to your report, in  
25 paragraph 36?

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1 **A. I'm there, I'm there.**  
2 Q. You state that "CSI eXPRESS's use of  
3 Blaze Advisor contributes to revenue by increasing  
4 the speed of response to a request for a quote  
5 and...speed of making renewal offers," correct?  
6 **A. I do.**  
7 Q. And we've discussed that you don't  
8 actually know whether the speed of response was  
9 increased, correct -- at Federal, I should say?  
10 **A. I have no quantification.**  
11 Q. You don't know whether the speed of  
12 making renewal offers was increased, correct?  
13 **A. I have no quantification.**  
14 Q. How have you concluded that CSI  
15 Express's use of Blaze Advisor contributes to  
16 revenue?  
17 **A. So I go back to my three original**  
18 **points. There -- insurance companies try to improve**  
19 **their positions in getting more quotes, converting**  
20 **more quotes, hanging on to more renewals through**  
21 **three fundamental strategies: speed -- that's both**  
22 **speed of response and speed to market -- ease of**  
23 **doing business, and adequate accurate pricing.**  
24 Q. Okay. And so you're basing your  
25 opinion that CSI Express's use of Blaze Advisor

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1 contributes to revenue on general goals of  
2 insurance companies in the industry?  
3 **A. Not exactly. I am basing my opinion**  
4 **on the fact that every insurance company that I've**  
5 **ever talked with is focused on that quote, bind,**  
6 **book, issue process for new business and for**  
7 **renewals, and that Blaze Advisor contributes to**  
8 **getting responses inside of the quote process faster,**  
9 **contributes to getting accurate adequate premium**  
10 **faster, it contributes to easing the burden on the**  
11 **independent agent or broker, meaning ease of doing**  
12 **business, and it contributes to the relative**  
13 **adequacy and acc -- attaining the adequate and**  
14 **accurate premium.**  
15 Q. And -- but you did not actually  
16 analyze whether it did contribute to those things  
17 you've just listed at Federal, correct?  
18 **A. I did no quantification, that is**  
19 **correct.**  
20 Q. Do you know whether Blaze Advisor  
21 actually increased or decreased the revenues of  
22 Federal?  
23 **A. I have done no quantification.**  
24 Q. I take it you don't know whether Blaze  
25 Advisor actually contributed to an increase in

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1 revenue or profit at Federal, correct?  
2 **A. That would require a quantification.**  
3 **I have done no quantification, no.**  
4 Q. You do not cite to any authority in  
5 paragraph 36, correct?  
6 **A. That is correct.**  
7 Q. And --  
8 **A. So -- so when I don't cite, you should**  
9 **assume that I am relying on 41 years and a lot of**  
10 **gray hair in this business.**  
11 Q. So your opinion in paragraph 36 is  
12 based upon your experience in the industry?  
13 **A. And conversations at industry**  
14 **conferences with other insurance executives, and**  
15 **conversations at industry conferences with software**  
16 **vendors.**  
17 Q. Those are conversations you had in  
18 connection with authoring your report?  
19 **A. No.**  
20 Q. Are those conversations you had about  
21 Blaze Advisor?  
22 **A. Conversations I had -- no. I --**  
23 **conversations I generally have making sure that I**  
24 **keep my mind aware of what's going on in the**  
25 **insurance industry. I have not discussed Blaze**

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1 **Advisor with any other insurance or vendor personnel.**  
2 Q. Are those conversations that you had  
3 about Federal or Chubb?  
4 **A. No.**  
5 Q. Paragraph 37 -- oh, one other question.  
6 In paragraph 36 you state, "CSI eXPRESS's use of  
7 Blaze Advisor contributes to revenue," correct?  
8 **A. I do.**  
9 Q. Do you mean to say CSI Express  
10 contributes to revenue?  
11 **A. I do not.**  
12 Q. How does CSI Express's use of Blaze  
13 Advisor contribute to revenue?  
14 **A. This goes back to the quote, bind,**  
15 **book, issue process for a new business. Okay.**  
16 **CSI Express uses Blaze Advisor to make decisions on**  
17 **what are acceptable risk attributes as it respects**  
18 **Federal's risk appetite. Blaze Advisor contributes**  
19 **to the adequate -- the calculation of adequate**  
20 **accurate premium, and Blaze Advisor where deployed**  
21 **this way says, yes, we'll write this policy, no,**  
22 **we'll write this policy, and sends the instructions**  
23 **for a quote letter to go out. There is a direct**  
24 **connection between Blaze Advisor's operation inside**  
25 **of CSI Express and the quote, bind, book, issue**

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1 **process of a property casualty insurance company.**  
2 Q. And you say that it uses Blaze Advisor  
3 to make decisions, but those decisions are actually  
4 made using the rules that the -- that the company,  
5 Federal, has defined using its expertise, correct?  
6 **A. I disagree with that statement. The**  
7 **decisions -- in my mind, there's a difference**  
8 **between the definition of the rule, transferring**  
9 **that rule into the technology, and, then, the**  
10 **execution of the rule.**  
11 **So as long as an automated decision**  
12 **system is executing that rule, which is Blaze**  
13 **Advisor, you are accelerating the process, you are**  
14 **requiring less effort on behalf of your underwriters**  
15 **and your agents, and you are approaching the best**  
16 **possible price point, the adequacy and accuracy of**  
17 **premium for the defined risk characteristics.**  
18 Q. But you're using the rules that the  
19 business has generated through its expertise,  
20 correct?  
21 **A. I agree that the rules are authored by**  
22 **the underwriting function of the company, they are**  
23 **not necessarily executed by the underwriting**  
24 **function of the company. In some instances inside**  
25 **of Chubb their underwriting rules are, in fact,**

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1 **executed by their people, but in some instances**  
2 **they are executed by an automated decision system,**  
3 **in this case, Blaze Advisor.**  
4 Q. You said that the effect is an  
5 acceleration and less effort. Those are  
6 efficiencies, you'd agree with me on that, right?  
7 **A. I agree that less effort is an**  
8 **efficiency, but I don't think efficiency and impact**  
9 **to revenue are unrelated. In fact, I think they're**  
10 **very related.**  
11 Q. Paragraph 37, once again, you do not  
12 cite to any authority for the conclusions you reach  
13 in that paragraph, correct?  
14 **A. That is correct.**  
15 Q. Is that paragraph based solely on your  
16 experience in the industry?  
17 **A. And the conversations I have had with**  
18 **other insurance executives and with software vendors**  
19 **about their sales and marketing approach for the**  
20 **industry.**  
21 Q. When did you have those conversations?  
22 **A. Pick a time across the last 20 years**  
23 **and you can plug that date in.**  
24 Q. Okay. So how is that different from  
25 your experience in the insurance industry?

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1 **A. It's not.**  
2 Q. Okay.  
3 **A. But --**  
4 Q. So those --  
5 **A. But --**  
6 Q. -- are conver -- sorry.  
7 **A. But -- but the -- the statement my**  
8 **experience in the insurance industry apply --**  
9 **implies I am operating in isolation. I want the**  
10 **record to show, no, I -- I talk -- I attend the**  
11 **IA -- I have attended the ISA, I've attended the**  
12 **ACORD. I'm dropping a lot of things you don't**  
13 **understand. I'll be happy to explain them.**  
14 **But there are gatherings of the**  
15 **industry, and there are conversations that happen**  
16 **between executives of insurance industry, and I**  
17 **don't want that to be missed. I don't want the**  
18 **record to think that I am relying solely on the --**  
19 **the thought process of Bick Whitener. I'm talking**  
20 **to other people, not specifically about Blaze**  
21 **Advisor, not specifically about Federal, but about**  
22 **the insurance industry and the execution of our**  
23 **processes, including the quote, bind, book, issue**  
24 **process.**  
25 Q. And those conversations were not

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